The Financial Times, February 4, 1976

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NEWS SUMMARY

GENERAL

Liberals review Thorpe's future

Pressure on Mr. Jeremy Thorpe's position as leader of the Liberal Party has intensified, writes John Bourne. Mr. Cyril Smith, Liberal Chief Whip, said he expected the situation surrounding Mr. Thorpe to be discussed at a meeting of the 13 Liberal MPs in the Commons to-night.

Mr. Thorpe had told him yesterday that if the Chief Whip advised him at any time that he ought to resign, he would do so. "But I assured him I had not the slightest intention of doing so because I did not believe any of the allegations at all."

While Mr. Smith maintained: "I don't think it is necessary for the party to take any further action," another Liberal MP said last night that the situation in the party was "not good and could get worse." Back Page

Guerillas hold 21 children

A bus carrying 21 children of French militar yfamilies was hijacked by an extremist group with Somalian links nead Djibouti, capital of the French territory of the Afars and Issas, near the entrance to the Red Sea. The kidnappers are demanding the country's unconditional independence and the cancellation of a proposed referendum. Page 6

Rabin faces storm

Israeli criticism of the way its list of arms procurements was submitted to Washington could lead to serious divisions within the ruling Labour Party, while Mr. Rabin, the Prime Miinster, will face a no-confidence vote on his return from the U.S. Page 5

Eclipse for Lagos

General Murtala Muhammed, the Nigerian head of State, has announced the creation of seven new States, making his country a 19-State federation. The federal capital is to be shifted from Lagos to a central location inland. Page 5

Trap for arts

Any move towards "bogus democratisation" of the Arts Council would produce a body of arts activists and politicians which would undermine and eventually destroy the past 30 years' achievements, said Lord Gibson, the council's chairman. Page 8

Left in the cold

The politics and standpoints of the Left are being denied serious newspaper coverage in Britain, according to Sir Denis Hamilton, editor-in-chief of Times Newspapers. Page 7

Welsh Speaker

The Queen's consent was given in the Lords to the appointment of Welsh-speaking Mr. George Thomas, Deputy Speaker and Labour MP for Cardiff W., as Speaker of the Commons in succession to Mr. Selwyn Lloyd. Page 14

Risks in milk

National Dried Milk and similar proprietary brands can no longer be recommended for babies under six months, the Department of Health announced, following a report which warned of health risks in unmodified cow's milk. Back Page

Briefly . . .

Brest, Frnace: Attempts to salvage the 275,000-ton supertanker Olympic Bravery have been given up for the time being.

William George Rodgers, serving life for a murder committed in 1964, only three years after he was jailed for manslaughter, has absconded from Leyhill open prison, Gloucestershire.

BUSINESS

Gold lifts mines to 232.1: gilts down

- GOLD touched $133, but eased towards the close to $131¼, a net gain of $¾.
- GOLD MINING shares climbed in sympathy with bullion. The Gold Mines index rose 8 points to 232.1 for a two-day gain of 16.8.
- GILTS sustained a fairly sharp set-back. The Government Securities index lost 0.67 to 64.49. EQUITIES slipped in the absence of support. The FT 30-share index gave up 2.8 to 409.5.
- STERLING eased 15 points against the dollar to $2.0280, but was better against other major currencies; its weighted depreciation narrowed to 30.1 (30.2) per cent. Dollar's fall widened to 2.48 (2.41) per cent.
- WALL STREET was 3.39 down at 967.96 near the close.
- U.S. TREASURY bill rates: 3-months 4.811 (4.763) per cent.; 6-months 5.066 (5.052) per cent.
- CHILE is attempting to raise a $200m. loan in the U.S. capital markets, according to banking sources in London. Page 22
- AUSTRALIA is to bring pressure on Japan to hold to her long-term commodity contracts, particularly those for sugar, iron-ore and coal. Page 27
- LOME CONVENTION, linking 46 African, Caribbean and Pacific countries in a trade and aid relationship with the EEC, comes into effect on April 1.

Stock Exchange deals reach record £16.8bn.

- STOCK EXCHANGE deals reached a record £168bn. last month. Turnover in gilt-edged jumped by more than 92 per cent. to £13.7bn. Page 21
- BUILDING SOCIETIES net receipts in January look likely to total between £300m. and £350m. The full figures are expected next week. Page 8
- U.S. DECISION on landing rights for Concorde is to be announced to-day. Page 4
- FRANCE has been implicitly invited by BAC chairman, Mr. Allen Greenwood, to join his company, West Germany and Italy in the development of a Multi Role Combat Aircraft. Page 6
- ARMSTRONG EQUIPMENT, the U.K. motor component group, is to spend £0.94m. on a substantial expansion of its Spanish business. Page 7

LABOUR

- PRODUCTIVITY at Harland and Wolff has improved dramatically since the Government's October warning to the work-force, but Mr. Stanley Orme, Minister of State for Northern Ireland, cautions that even with increased productivity, the danger to the Belfast yard's long term future was not overcome. Page 10
- MINERS in Nottinghamshire have refused to endorse a demand for pay rises of up to £33 a week. Page 10

COMPANIES

- DOWTY GROUP first-half pre-tax profit advanced to £6.15m. (£4.2m.), and a similar second six months is forecast by the Board. Page 19 and Lex
- BRITISH-AMERICAN Tobacco net attributable profit rose to £136.95m. (£117.27m.), reflecting a strong second half. Page 20 and Lex
- AVON PRODUCTS, the world's largest manufacturer of cosmetics, reports that net profits rose 24 per cent. last year to a record $139m. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

AAH	171	+ 5
Adams and Gibbon	61	+ 5
Amal. Metal	218	+ 8
Bond St. Fabrics	42	+ 5
"Bats"	365	+ 7
Dew (G.)	108	+ 6
Dowty	163	+ 5
Ferro Metal	56	+ 4
Intnl. Timber	116	+ 10
Lucas Inds.	213	+ 4
Norton (W. E.)	14½	+ 5
Primrose	183	+ 8
Shepherd (E.)	59	+ 5
Wagon Finance	54	+ 10
Siebens Oil and Gas	230	+ 15
East Drie.	890	+ 40
Falcon Mines	125	+ 15
Geduld Inv.	320	+ 20
Peko-Wallsend	510	+ 45
Southvaal	610	+ 30
Western Hldgs.	£25¾	+ 1½

FALLS

Treasury 13¼pc 1997	£99¼	− 1
Treasury 10½pc 1979	£99¼	− ½
Assed. P. Cement	180	− 5
Concrete	64	− 3
Costain (R.)	222	− 6
Expanded Metal	80	− 6
Lampa Secs.	120	− 8
Ocean Transport	141xr	− 5
Priest (B.)	52½	− 4
Rank Org. "A"	159	− 4
Reed Intnl.	276	− 4
Rugby P. Cement	80	− 4
Tarmac	184	− 4
Tube Invs.	344	− 4
Unitech	103	− 7
Burmah Oil	46	− 3
Woodside-Burmah	134	− 5
AM and S.	134	− 6
BH South	180	− 10
MIM Hldgs.	224	− 8
Pancontinental	£16¼	− ½

CBI survey shows first signs of export-led revival

BY ADRIAN HAMILTON

The first, tentative, signs of an export-led recovery from the present recession in U.K. manufacturing industry were revealed in the Confederation of British Industry's latest industrial trends survey yesterday.

But the CBI continues to qualify its optimism. It warns that most companies continue to operate well below capacity and that the rate of unemployment in the manufacturing sector is likely to continue to climb in the next few month, with perhaps as many as 70,000 more out of work.

In terms of the general revival in business confidence which has become apparent recently, the survey—the most optimistic in more than a year—would tend to support the more hopeful tone of recent Government statements.

The survey indicates that orders are at last picking up, largely because of an end to the rapid destocking which was so marked last year and the beginning of an economic resurgence among Britain's trading partners.

The results of the survey, taken last month, also suggest that capital expenditure could climb back to the levels of a year ago in the third quarter and thereafter continue to improve.

This prediction, in particular is more optimistic in terms of timing than recent surveys by the Government have implied.

Yet in a number of ways, the CBI continues to be a great deal more cautious in its prediction of an economic recovery than recent Ministerial speeches.

It points out that, for all the revival in confidence in the future, almost eight out of ten companies are working below capacity and 85 per cent. expect output to be limited over the next four months because of shortage of orders or sales.

The indications of an upturn, it points out, are largely attributable to an investment in stocks as the destocking process comes to an end and to an increase in export orders, which could be endangered by rising costs.

In another warning, the CBI also cautions that investment could be restrained by a shortage of internal finance—a point of particular concern to the Government at present.

Worrying

While the Confederation has still to draw up its representations on the Budget, the survey does indicate the lines on which it is likely to proceed.

First, industry remains as convinced as ever of the dangers of any conventional reflationary measures at this stage.

While it accepts that the unemployment trends are worrying, it argues that any such measures would at best make no difference and at worst, damage the tentative signs of recovery, making unemployment that much worse next year.

Secondly, the CBI still regards inflation as public enemy number one, and is therefore pushing hard for a toughening of the next stage in the counter-inflation policy.

Thirdly, the confederation continues to feel that profitability remains a major cause for concern, demanding relief both in fiscal and price policy terms — although the latest survey does not contain any special section on the problem and "anecdotal evidence" gained during it seems to imply that worries over corporate liquidity have considerably lessened in the recent past.

One of the most encouraging features of the latest survey is the optimism expressed about export prospects.

A balance of 19 per cent. of companies, according to the results, are more optimistic on this score than four months ago, particularly among smaller companies and manufacturers of consumer and intermediate goods, as well as metals and metal manufacture, textiles and chemicals.

Again, the chemicals and textiles sectors—traditional leaders of any economic revival—seem to be leading the way in epectations of a revival in output.

Although the general balance of companies reporting an increase in export orders, at more than 31 per cent. is above average for the last decade, the survey suggests that the intake of export orders remains relatively low at the heavier end of manufacturing industry.

It is at this end that the pessimism about capacity utilisation remains greatest.

Survey details Page 10; Editorial comment Page 16

Trawler 'restraint' sought as Iceland rejects deal

BY DAVID BUCHAN

THE BRITISH Government last night deplored as "unacceptable" Iceland's rejection of U.K. proposals to end the two and a-half-month-old cod war.

British trawlers will continue fishing in Icelandic waters and Royal Navy protection vessels will move back in if there is "a single further incident of trawl cutting" by Icelandic gunboats, said Mr. James Callaghan, the Foreign Secretary.

In rejecting the British proposals yesterday, Mr. Geir Hallgrimsson, the Icelandic Prime Minister, said that his Government was still ready to try to reach a short-term three-month agreement with Britain.

Mr. Callaghan last night said that Britain would go along with more negotiating efforts, despite the failure of any of its proposals to satisfy the Icelanders.

In the absence of any agreement and to create the right atmosphere for such negotiations, British trawlers have been asked to exercise "voluntary restraint" on the cod tonnage they draw from Icelandic waters.

Mr. Fred Peart, Minister of Agriculture and Fisheries said that he would take up the matter of "voluntary restraint" with the trawling industry immediately.

"All the constructive suggestions in these negotiations have come from the British side," Mr. Callaghan claimed.

For the first time he revealed the basis of the U.K. position—that Britain had asked for 28 per cent. of the total allowable catch of cod over whatever period that Iceland cared to set. But he would not go into details.

From Reykavik it was learned that this percentage figure was hedged by a minimum demand of 65,000 tons of cod a year—and a maximum of 75,000 tons—and that Britain was also asking for a total catch of 85,000 tons of all species of fish.

Iceland's last offer, made before Christmas, was for a total catch of all species of 65,000 tons, but this was later withdrawn.

Mr. Callaghan is to make a statement in the House of Commons to-day which may reveal how soon any further talks can take place.

The Government hopes that restraint by British fishermen in the amounts of fish they catch will be matched by restraint on the part of the Icelandic coast guard.

Any serious harassment "will result in the automatic return of the Navy," Mr. Callaghan said last night.

It became clear in Reyljavik last night that included in the three-month agreement that Mr. Hallgrimsson suggested was a reduction in the number of British trawlers, a limited area between the 50 and 200 mile limits, and rules on the size of nets, fishing gear and strict conservation.

VW engines for Chrysler U.S.

BY GUY DE JONQUIERES NEW YORK, Feb. 3.

CHRYSLER CORPORATION has become the second U.S. car maker to reach agreement with Volkswagen to buy engine units for use in small cars to be produced and sold in the U.S.

Chrysler announced to-day that it had agreed in principle to buy up to 300,000 four-cylinder 1.7 litre base engines and up to 120,000 transmission ales.

They will be fitted to a small front-wheel-drive car which it plans to start assembling in the U.S. in the autumn next year.

The value of the deal has not been disclosed.

In July American Motors, the smallest of the four Detroit makers, agreed to buy an unspecified number of two-litre Audi engines from Volkswagen.

But unlike Chrysler, American Motors plans to start building the engines itself at a plant in Richmond, Indiana, late next year or early in 1978.

Chrysler said that the company's agreement with Volkswagen was open-ended.

It is not clear whether it is intended to develop into a longter msupply contract or merely to take care of Chrysler's needs until the U.S. company can make its own four-cylinder engines.

Chrysler is continuing to develop a two-litre engine and larger four-cylinder engines of its own design.

These are intended for various "sub-compact" small cars which it is planning to introduce after the 1978 model year, during which it is due to launch its small front-wheel-drive model.

The engines to be bought by Chrysler will be a slightly enlarged version of the basic 1,588cc unit now used in several of Volkswagen's medium-sized saloons.

The base engines, consisting of blocks, cylinder heads and internal moving parts, will be shipped to the U.S., where Chrysler will add intake and exhaust manifolds, ignition systems, carburation, clutches and other ancillary components.

Chrysler said that it was also developing an automatic transmission and axle combination which it expected to be fitted to most of the new front-wheel-drive sub-compact cars.

Chrysler is continuing to hold talks with Volkswagen on other projects.

These include possible purchase of Chrysler's uncompleted assembly plant in Stanton, Pennsylvania or, alternatively, the possibility of a joint assembly line there.

Though Volkswagen has been considering plans to start assembling its cars in the U.S. for more than a year, it still does not seem near a final decision.

Volkswagen is understood to have narrowed down the plants it is considering to three.

Chrysler peace talks continue, Back Page

FEATURES

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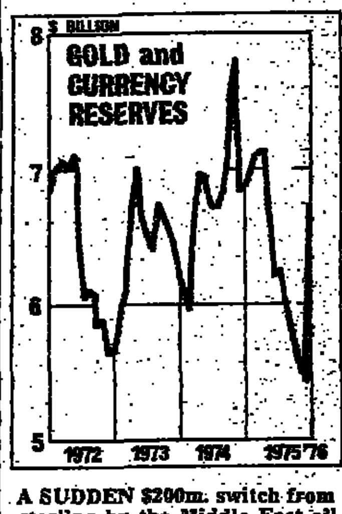
Reserves rose by $1.3bn. in January

By William Keegan
Economics Correspondent



A SUDDEN $200m. switch from sterling by the Middle East oil producer Dubai was the reason for the upset to sterling on Monday after a remarkably good month for the U.K. currency.

Official figures out yesterday show that the U.K.'s gold and foreign currency reserves rose $1.356bn. during January to stand at $6.785bn. at the end of the month.

This increase was more than accounted for by the U.K.'s drawing on the International Monetary Fund oil facility—which brought in $1.174bn.—and further borrowing by the U.K. public sector totalling a net $167m.

The IMF drawings were made because the Government thought it "undesirable" that the official reserves should drop below the levels ruling in mid-December.

As it turned out, January was a good month for sterling, which escaped unscathed from the upsets in the currency markets caused by the lira crisis. It is understood that the real inflow into London during the month was well in excess of the declared figure.

The U.K. authorities appear to have chosen to declare a conservative estimate of the reserve level at end-January, in order to iron out the fluctuations being caused by oil money movements.

The regular pattern now is for many of the oil royalty payments paid in sterling to be switched into other currencies, the following

Continued on Back Page

£ in New York

—	Feb. 3	Previous
Spot	$2.0285-0290	$2.0300-0305
1 month	0.80-0.85 dis	0.80-0.84 dis
3 months	2.57-2.52 dis	2.60-2.62 dis
12 months	8.15-8.05 dis	8.22-8.15 dis

'Ferrybridge Six' unfairly dismissed

BY CHRISTIAN TYLER, LABOUR STAFF

SIX Yorkshire power station workers—the so-called "Ferrybridge Six"—were unfairly dismissed for not joining a recognised trade union in a closed shop agreement and must be compensated, a Leeds industrial tribunal ruled yesterday.

But in spite of the men's request that it should do so, the tribunal has not recommended that they be given back their jobs at the Ferrybridge "C" power station.

Although probably the first of its kind under the present state of closed shop law, the 20,000-word judgment resolutely avoids discussing the controversial points of principle of the Trade Union and Labour Relations (Amendment) Bill shortly to be debated in the House of Lords.

Reactions on all sides last night were mixed since the tribunal, while criticising the Central Electricity Generating Board and the four recognised unions for failing to ensure the closed shop agreement was applied to everyone, reserved much harsher words for the men themselves. It called them "unyielding and irritant types."

All six men, members of the small and unrecognised Electricity Supply Union, said yesterday they would shortly be asking the Board for their jobs back, in spite of the tribunal's virtual warning that they should not.

Compensation

In the meantime the parties are to agree compensation among themselves—this could amount to up to £5,200 for each man—and failing that can ask for a hearing on the point.

None of those involved had made any firm decision last night whether to appeal against the ruling. Nor was it immediately clear whether other members of the ESU, persuaded to join recognised unions, will now leave them again confident that it will not result in their being dismissed.

One immediate consequence, however, is that the CEGB and recognised unions—the Transport Workers, the Engineers, the General and Municipal Workers and the Electricians — are expected to sit down to discuss how to deal with their much-criticised failure to determine who is and who is not a member of a recognised union. The tribunal, under Mr. George Smailes, estimated that despite the closed shop as many as 1,000 workers out of the 39,000 were not in recognised unions and should be.

It is this failure of the industry's closed shop in practice—not any arguments about the reasonableness or otherwise of the men's objection to joining a particular union—that has put the bulk of the judgment in the men's favour.

Last night Mr. William Sarvent, general secretary of the ESU, said from his home in Knottingley, near Pontefract: "Our stand has been worthwhile and the result has restored my faith in British justice." He added that he still wanted to see the ESU recognised for power workers.

Mr. Conrad Smith, another of the six, said: "If the decision had gone against us, every workman in the country would have been affected."

The judgment was castigated as "pompous and insulting" by Mr. Paul Nicolson, general secretary of the anti-TUC Confederation of Employee Organisations, who championed the men's appeal.

In a somewhat theatrical gesture, the tribunal's views on the present law's "reasonable grounds" exemption clause have been committed to a sealed envelope for opening (presumably) by the appeal court judge if the case does go to appeal.

Mr. Nicolson called this "remarkably unhelpful," an opinion shared by those in Whitehall who had hoped for new debating material, but who felt the Government's stance on the closed shop had been broadly justified. The judgment, said Mr. Nicolson, showed that "secure and powerful organisations could be taken on and defeated in a responsible, peaceful and legal manner."

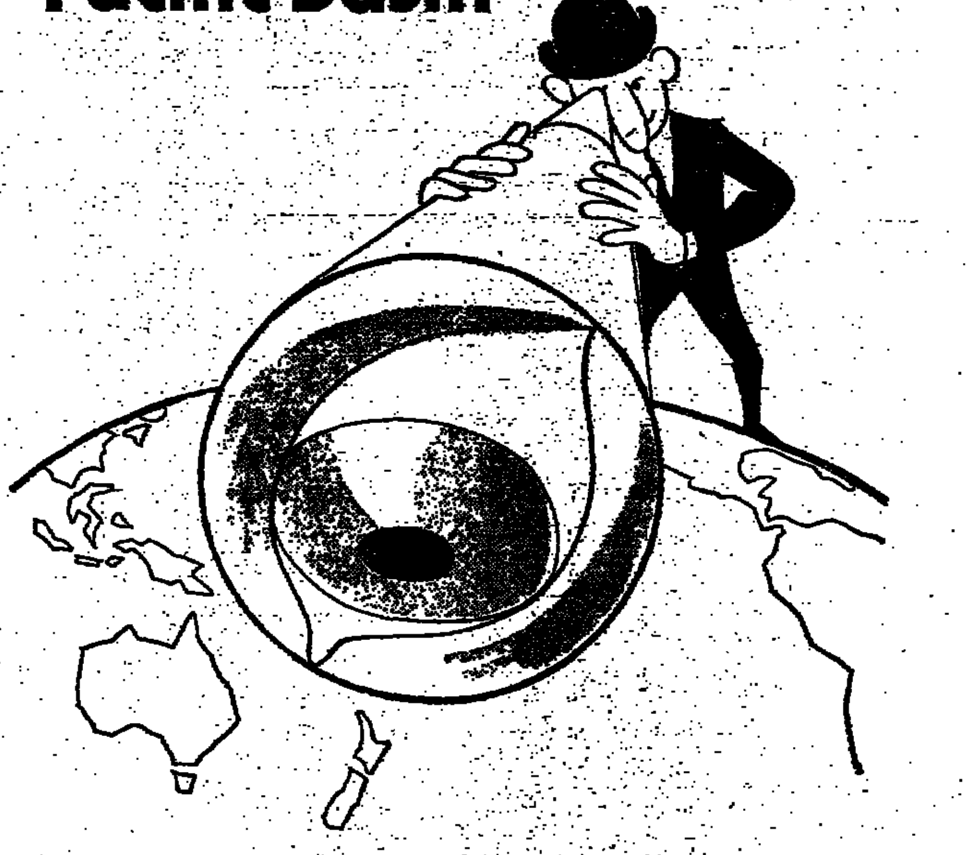
At the CEGB headquarters in Leeds, a spokesman said industrial peace would now be restored at Ferrybridge "C."

The six men, all of whom had once been members of recognised unions but left when the Conservatives' Industrial Relations Act of 1971 broadly outlawed closed shops, are Mr. Bill Sarvent, general secretary of the ESU, Mr. Desmond Palmer, Mr. Bob Holliday, Mr. Treharne Morgan, Mr. Conrad Smith and Mr. Clifford Mathers.

Four of them agreed to join the AUEW "under protest" at the last minute—a union to which none had formerly belonged—but their application fell foul of the TUC's "no-poaching" Bridlington rules. The tribunal said in cases where workers were unreasonably excluded "they had recourse to their own appeals procedure as well as to the law itself."

Ruling, Page 10; Feature, Page 17

Keep an eye on the Pacific Basin



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LOMBARD

EEC regional realities

BY C. GORDON TETHER

THE RECENT call from Mr. Callaghan, the Foreign Secretary, for an urgent joint approach by EEC countries to the unemployment nightmare has been interpreted as denoting that the Government is in process of reversing its unenthusiastic attitude to British participation in such advanced forms of European togetherness as economic and monetary union.

I would have thought that the fact that he placed so much emphasis on the need for the Community's regional fund to play a much bigger part in the attack on structural unemployment pointed to precisely the opposite—to a belated awakening in Whitehall to the serious way in which the advance of European integration can aggravate that crucial problem.

It would, of course, be possible for the Common Market countries to do more through collective action to combat the *cyclical* unemployment currently *afflicting all its member* countries. But the "new British initiative towards the Community"—as it has been called—which the Foreign Secretary outlined in his recent speech is clearly concerned with less transitory aspects of the problem.

What he argued was that the Commission should devote all its energies to analysing the reasons for structural unemployment and put forward proposals to overcome its evils. And he added—significantly—that this would mean a much more fundamental approach than the Community's existing Regional and Social Funds provided for.

The intensification of the structural unemployment problem can be set down to a wide range of factors. But it is no exaggeration to say that it is to a very considerable extent associated with the growth of regional discrepancies. In our own country, structural unemployment has long been particularly serious in Scotland, Wales and Ireland—regions that, for geographical or other reasons, operate at a marked disadvantage against others.

Against tide

It is, inevitably, in the nature of things for economic integration to accentuate regional discrepancies. As the Kredietbank of Belgium conceded in a recent remarkably frank examination of the Common Market's regional *discrepancies*, "*the spontaneous* orientation of the economy towards the regions which are most interesting from the industrial point of view has appreciably more chances within a wide common market than within the narrower territories of the member States."

The evolution of a common market for the British Isles produced "a spontaneous orientation of the economy" towards England at the expense of Scotland, Ireland and Wales which continues to this day. The evolution of a common market for Europe is now doing the same thing over a much bigger field at the expense of countries like our own that, for the most part, do not constitute the "regions which are most interesting from the *industrial point of view.*"

The Kredietbank study shows that, notwithstanding the considerable efforts that were being made, through official aid *schemes of all kinds*, during the 1960s to neutralise the increased pressure imposed on the economies of the less fortunate regions, the absolute gap between regional income levels in the EEC continued to widen substantially. And it concludes that: "any decrease that was observed in the relative regional prosperity discrepancies was not sufficiently *pronounced* to deduce that a levelling out would occur in the medium-term."

Heart-cry

It is, indeed, apparent that the problem could become even more intransigent if the economic integration of the EEC were taken into a higher gear by the drive *for economic and monetary* union. For then the more vulnerable regions would be progressively deprived of the right to make use of such important aids as exchange rate realignment in holding their own against the rest.

The Callaghan heart-cry about the need for a new EEC approach to the unemployment issue must be seen in this context. What it would seem to indicate is that the Government has at last awakened to the realisation that European economic integration has serious implications for our structural unemployment problem even as things stand. One would have thought that it follows from this that the last thing it will be planning to do is to *surrender any more of our freedom* to succour our deprived areas before the EEC has decided what it is going to do about the regions that are not "the most interesting from an industrial point of view."

But what can the EEC do by joint action? The lesson taught by the story of Italy's South is that only massive transfers of capital from the favoured regions to the less favoured ones will make any impression — in short, a flow far exceeding that called for by the Common Agricultural Policy. I imagine no-one *is going to have any difficulty in* deciding how much chance there is of that materialising.

GARDENS TO-DAY

Colourful borders

BY ROBIN LANE FOX

THOSE WHO complain that gardening moves too slowly and costs too much seem to me to have forgotten the old-fashioned pleasure of an annual border. It is some while since I last saw a well-planned example of this. Groups of bedding plants still find a place in many gardens, but the idea of a whole border grown from seed seems to have been banished along with winter gardens, moraines and alpine lawns. Its neglect is not deserved. It would allow a half-acre garden to be filled with flowers for only £5. The results could be enjoyed within three months.

You need an open sunny border, preferably *at least five* feet wide; the soil must be light and your long-range weather-sense must be accurate. This last point is rather important. So many of the annual flowers prefer a hot summer. Last year the growth of petunias, anything South African, morning glory and zinnias took the prizes because the weather was so fine. *Previously*, the owners of tobacco plants, the autumn-flowering rudbeckia, weather-proof echium and woodruff had seen the best results in the wet summers which damp down annual borders. The gamble between wet years and dry adds to the interest. I have grown to hedge my bets, always preferring a third of the border to be weather-*resistant*, reckoning that the rest will always make a slight show and may, in some years, be spectacular.

Firm shape

The aesthetic problem of an annual border is its lack of firm shape and bold leaves. There are two ways round this, for I believe that flowers are set off by fine leaves and solid outlines and that a gay drift of daisies looks better and lasts longer in the mind's eye when stiffened up with the more enduring merits of leaves. Either you can set permanent clumps of foliage plants at intervals down your border, trying to choose things which will not dominate the annuals' lightness. *I am ordering the spiked* leaves of the variegated Phormium (hardier than you might think), the crinkled evergreen leaf of the hedgehog holly (listed by Hilliers of Winchester, Hants as Ilex Ferox, a fine small shrub) and the harmonious Senelio Laxifolius, still splendid despite its invariable use on roundabouts and in landscape designers' "planting" plans. I think that some solid clumps of these plants will give a firm outline to an annual border which in spring will be planted not so much with the spring bedding-plants (*forget-me-nots* take so much goodness out of the soil) as will spring bulbs, especially the obliging lily-flowered Tulips and the white Pheasant Eye narcissus.

Or, if perennial evergreens are too expensive and too slow for you, you can find bold leaves among the annuals themselves. Possibilities here are not often recognised. The purple-leaved and yellow-leaved annual spinach (listed as Atriplex), the marvellous frilled leaves of the coloured kales and cabbages, reaching their best in September *despite* their smell (Thompson and Morgan of London Road, Ipswich, offer an increasingly good line of them), the big fingered leaves *of the castor oil plant* (called Ricinus): these are all very bold, and a careful study of the best annual grasses will add to your selection.

Self-seeding

I am including groups of fennel and the biennial Salvia Turkestanica as taller accompaniments, not strictly annual but awfully able to seed themselves wherever there is space. Their tall stems and flower-spikes will combine with an admirable perennial grass which I noted mostly in Dorset. *A perennial*, admittedly, but Stida Gigantea deserves its Latin name as its arching long stems are gigantically tall for a common grass, up to six feet in two years. They will dry well, I hope, and match the invasion of purple Honesty which has even survived recent bulldozing: I never have the heart to stop Honesty's progress to those *shining winter seed*-discs, but the seed, of course, has been scattered meanwhile.

So, when planning a good annual border you must not change your starting-point, and neglect the need for a firm frame. Once you have placed the bolder groups, you can have fun with the flowers. No doubt you will be surprised that I think many of the following names are neglected, but one of the consequences of the modern fashion for shrub borders, ground cover and beds of bold leaves has been the abandonment of flowers grown from seed.

What about the nasturtium, for example? This seems to me to be the best possible seed with which to interest young children in gardening. Each seed is large; it need only be dropped into a hole about half an inch deep where you want your plant to grow. You can sow it at the end of the Easter school holidays and *it will then be ready to* give young gardeners an unusual lesson in vegetable gardening by half-term. The nasturtium's young leaves are well worth eating in salads. By the summer holidays, it will be in flower and it can begin to be trained and twisted. If you build a small frame of sticks and left its trailing stems onto it, you can enjoy those lovely orange flowers from anew and *give the lie* to any superior view that they are somehow "common." At Sissinghurst, that most open-minded English garden, ordinary nasturtiums are trained to marvellous effect in the red and yellow cottage garden. It is too easy, yet nobody else does it. Only a very sharp frost in late April upsets the young plants so if you want them to be safe you can also sow them in a pot indoors.

The red and white forms of annual flax are another easy and hardy plant which are not only fun for children. *Dobies of* Chester list the white variety, and I like its darker eye in its centre. The flowers shut up in dull weather and only open to *the sun*. They wave to and fro in the wind in the front of a border and at a height of a foot and a half, they are extremely good value. Dead heading is strongly advised, and its nice combination of accuracy and obvious results make it a good holiday task. Flax seems to me to be a far prettier plant, and less smelly, than French marigolds.

First place

Dark blue phacelia, mixed echium (attractive to bees) half-hardy rudbeckia and as much godetia as the two-foot high groups can contain: I would give these first place in an annual border, rating them even above the petunia which is not so easily raised from seed and does prefer dry weather. Less usual experiments which struck me as still worth a space last year were the single yellow bartonia, the half-hardy cuphea (whose flowers look like a lighted cigarette, most extraordinary) and groups of the tall corn cockle, or agrostemma, whose open satin pink flowers are marked with darker streaks and strike me as being exceptionally graceful. All these, except possibly the cuphea, are extremely easy to grow.

One of the pleasures of an annual border is the speed and cheapness of experiments. Vowing to grow an unknown name every year, I have often been amazed by the pleasant results. Approach the business as a cheap gamble and a fine adventure. I do not suggest that you patronise the frightful double multi-frilled gigantiflora snapdragons and petunias, and marigolds which the breeders force on the public taste. But by ranging among the wild and single flowered varieties, you may find some more pleasant surprises and prove to them by your demand that bigger does not always mean better.

WINTER OLYMPICS BY MICHAEL THO...

Make-or-break Games

INNSBRUCK, Feb...

AUSTRIA SHOULDERS a severe burden of responsibility here tomorrow with the official opening of the 12th Winter Olympics—the Games that must not fail. Having stepped in where Denver feared to tread, the Austrians have two aims. They must prove that biggest is not necessarily best, and they must show that it is still possible to hold such a gathering without falling prey to international terrorism.

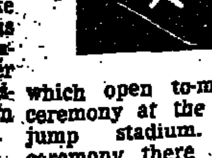
While their Canadian counterparts have struggled to extricate themselves from the problems that have dogged the preparations for the Montreal summer Olympics, the Innsbruck organisers have sought to scale down their games to reasonable size.

Since taking over the Games three years ago—when Denver, Colorado, decided it did not want them—Innsbruck has dedicated itself to keeping costs down. With many of the facilities and most of the expertise still available from the winter Games staged here 12 *years ago, the organisers say they* expect the Olympics to finish about in the red, compared with the $600m. deficit being talked about in Montreal.

More worrying than cash is the question of security and the memory of the 1972 summer Olympics in Munich—100 miles north of Innsbruck—when 11 Israelis were massacred by Arab *guerillas*.

The Austrian authorities have outlined rigid security measures for the Olympics—*2,500 security* officers will guard just over 1,000 competitors during the 12-day Games. The high-rise Olympic village on the outskirts of Innsbruck *will be guarded* by 200 police (with 1,300 more available nearby in case of emergency) compared with the six who kept watch during 1964.

Some 1m. visitors are expected to visit Innsbruck for the Games



which open to-morrow with a ceremony at the Berg Isel ski jump stadium. After the ceremony there is an evening competition in figure skating and tobogganing, the main pro*gramme starts* on Thursday.

To-day Austria unveiled a new "superski" which was given its first public showing by Franz Klammer, Austria's downhill champion. It is broader than usual, and has a triangular hole in the tip which forces it on to the snow at high speeds, like an aerofoil wing on a car.

Klammer called the skis "*magnificent*" *but* they did not help him set the fastest time in training, which went to Switzerland's Bernard Russi. He clocked 1:48.01 for Thursday's race, with Klammer for third in 1:48.92.

At the luge run in Igls, some teams received detailed but *anonymous* letters ... the East German team ... ting a special chemical ... runners of their toboggans ... beat them—and thus make ... go faster. Officials inspect ... luges after each run ... that nothing was found.

The figure skating prog... begins to-morrow with ... Soviet *favourites* in the ... and ice dance events, but ... open competition expected ... the men's and women's ... dual gold medals. Irina ... *and Alexander Zaitsev* ... pairs and Ludmila Pa... and Alexander Gorshkov ... ice dance will be difficult ...

Britain's John Curry, ... and trains in the United ... is the man most lik... succeed, having won the ... pean title in Geneva last ... However, Curry's artistic ... has not always found ... with international judges.

British crews in the ... bob event, in which Brit... a gold medal in 1964, have ... clocking disappointing ... times, well outside the fir... the alpine events. Britain's ... og five men and six wo... given no chance of medals.

Britain's nine-man ... team, all from the Ar... quartered at Seefeld, ... Innsbruck. Their medal ... pects are slim against ... Scandinavian and East Eu... opposition.

Agencies.

FT CLIPPER RACE BY ALEC BEIL...

GB II leads by 600 miles

WHILE Great Britain II continues her passage northwards from a position 700 miles south of the Equator, her skipper, Roy Mullender, reports that they have now overtaken the sun and for the first time since last autumn are seeing it passing to the south of the yacht rather than to the north.

The yacht, still leading in the *Financial Times Clipper Race* by 600 miles from the Australian ketch Anaconda II, is once more maintaining almost the desired heading and averaging the 200 miles a day needed if she is to break the record of 69 days set from Sydney to London by the clipper Patriarch.

It seemed on Monday that the Australians might be heading for Rio de Janeiro, but they have now altered course to the north east and are sailing up the South American seaboard about 100 miles from the coast and have lost some of the ground made up on the *British yacht* last week.

The Italians aboard CS e RB II, who reported rigging damage to the British Antarctic Survey ship Bransfield last week, put into Stanley, in the Falkland Islands, on Saturday. Yesterday the English member of the crew, Geoff Cross, from Lytham St. Annes, telephoned the Financial Times that they were also hoping to repair their radio, now reduced to the emergency set linked to the yacht's main power supply, but facilities in the islands seemed limited.

The progress of the Dutch ketch The Great Escape continues to impress as she sails northwards from the Falklands. She is now still only about 11 days behind Great Britain II and averaging better than 150 miles a day while the French ketch Kriter II, which sailed from Sydney a month after the original start, has covered 1,000 miles in three days towards Cape Horn and could round the ... next week.

At her present rate of p... across the Southern ... Kriter II has bettered the ... lent positions of Great ... II by more than three ... between Sydney and Cape ... and, if she can reach Cape ... by this time next week, ... improved on the British ... almost six days. Until ... has averaged 11 knots ... distance covered. Their ... robbing the British crew ... Sydney to London record ... seems very much a reality.

Latest positions:

Great Britain II (Feb. 2, 2100 ...) 11° 30 min. S, 2° 30 min. W.

Anaconda II (Feb. 2 2100 GMT ... via GB II radio)—24° S, 48° W.

The Great Escape (Feb. 2, 2100 ...) 43° 50 S. 41° 30 W.

CS e RB II—At Stanley, Falklands, until February 3.

Kriter II (Feb. 1, 0001 GMT ...) 127° W.

RACING BY DOMINIC WIGA...

Double Gem can regain form

IN SPITE of the abandonment of to-day's Windsor card because of frost, there ought to be some racing, for there were no worries last night over Newcastle.

There, those close friends and rivals, Arthur Stephenson and Gordon Richards, who have dominated events in the North over the last four or five seasons, both field particularly strong teams and I would not be surprised to see them share the programme.

In the principal event, the three-mile Dipper Novices Chase which carries £2,500 in added prize money, the Bishop Auckland-trained *Double Gem* appears to be the one to be on.

After a long lay off, Stephenson's powerful nine-year-old ran a particularly encouraging race at Doncaster on January 8, where lack of condition began to tell only in the final quarter mile of the Dinnington Chase, in which he took third place behind Pacify and Tremendous.

Double Gem, who is certain to have come on a good deal as a result of *that outing—his first* since he finished down the field behind Tree Tangle in a Newbury hurdle nearly two years ago—can return to winning form by out-pacing top weight Forest King—bidding to follow up a recent four lengths Carlisle success over Meridian II.

I shall not oppose another in-form seven-year-old, *Sea Count*, in the Swan Chase. This Hard Tack gelding from Penrith is not the most reliable of jumpers, but his jumping did not let him down when he gamely accounted for the more experienced Steadygaze in the Round Oak Handicap at Wolverhampton a fortnight ago and I believe a reproduction of that form will see him safely home.

Another Richards' representative, *Eversholt*, who came down last time out, is confidently expected to restore his somewhat tarnished reputation in Division II of the Moorhen Novices Hurdle.

NEWCASTLE

1.30—Vimy Ridge
2.00—Sea Count*
2.30—Double Gem**
3.00—Town Ship
3.30—Southern Lad
4.00—Eversholt***

Looking ahead to the fla... ing season, which is sche... to get under way at Don... *on March 25, the Ascot* au... has announced that prize ... for the flat there will to... £500,000 mark for the first ... The record total of £... represents an increase of ... £100,000 on last year's £437...

The overall prize money ... on the Berkshire course ... made up from £267,105 from ... Ascot authority, £169,900 ... *the Horserace Betting* ... Board, and £98,400 from spo...

The Queen has given her ... mission for this year's ... Charity Day, which is being ... on Friday September 24 ... run in aid of The Riding ... the Disabled Association ... charity, which has about ... groups in Britain helping ... physically and mentally ... capped to ride, has arrang... programme of six spon... races worth more than £... in prize money.

Taylor Woodrow, Argos ... logue Showrooms, the ... Group, Christie's, Sir Mi... Sobell and Dalgety are ... sponsors.

SALEROOM BY ANTONY THORNCROFT

Millais oil doubles price

CHRISTIE'S may not have *managed* yesterday the excitement of Monday, when it set an auction record of £20,000 for a Capodimonte figure, but there was an encouraging minor sale of English watercolours and drawings which totalled £22,212.

The items were not outstanding, but 96 per cent. of the lots sold and prices were generally above target.

Highest price was the £700 from a private buyer for a watercolour by Richard Dadd of two Persians, completed when the artist was *touring the Middle* East, before he went mad and murdered his father. This was a good price for an an early Dadd—his lunatic asylum watercolours usually do better.

Another surprise was the £650 from a private collector for *Nosegays*, a watercolour by William Henry Hunt—the price was more than double the *fore*cast. A watercolour by John Austin Fitzgerald, *Strayed*, made the same sum.

Perhaps of more interest was the £550 given by Ross for a very early oil sketch by Sir John Everett Millais. The young artist was asked to draw a young girl in her coffin and the scene moved him so much that he later oil-sketched the scene.

The same work was sold at Christie's almost a year ago. Then it fetched less than half yesterday's price.

There was also a shock at Sotheby's, where a London dealer, Oliver Sutton, paid £2,000 for a rare Rockingham figure of 1826-30 portraying John Liston as *Billy Lackadawy*. It had been forecast to go for £200-£400, but two potential buyers bid each other up. The sale of English pottery and porcelain totalled £49,515.

Other top prices were £1,250 for a rare commemorative bragget pot of 1700 and £1,100, over double forecast, for a Sunderland pink lustre *set of the* four seasons, made around 1820.

A pair of Lowestoft pugs of 1780-85 realised £1,000, and a Worcester tea and coffee service of about 1770, £850.

A Sotheby's Belgravia sale of English prints totalled £14,843, with less than 2 per cent. unsold. Best price was the £620 paid for *The Shepherd*, an engraving by Welby Shermann on chine appliqué after a design by Samuel Palmer.

A line engraving by George Richmond, *The Fatal Bellman*, a work of 1827, went com... tively cheaply at £420, ... etching and dry point by N... Lindsay, *Merchandise*, sh... a harem, sold for £300, as ... *a £40-£60 estimate*.

At Phillip's furniture ... which totalled £43,200, a ... III mahogany library bo... made £1,550, and a Queen ... *walnut secretaire* £940. A ... English beefeater flagon ... around 1660 was bought ... Hornsby for £480. A s... books totalled £15,334.

At Bonham's, silver ... jewellery made £14,648 ... £1,800 paid for a large ... stone diamond ring and ... for a smaller, similar, ring.

There are items *of spe*... terest at a Sotheby's Bel... sale on February 25. A ... 20 cigarette cards of clow... artists, produced by Tad... London cigarette *manufa*... who went out of business ... 1920s, is up for auction.

Taddy's is *only* credited ... issuing 20 sets of cards, ... set could establish a ... cigarette card record of ... £2,000. Also available ... mildly pornographic ... from the 1920s, probably ... duced in Paris.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05-7.30 a.m. Open University. 9.15 For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 *Pebble Mill/NEC Special*. 1.45 Teddy Edward. 1.50 The Mister Men. 2.01 For Schools, Colleges. *3.00 Today at the Winter Olympics* (Opening Ceremony. 3.58 Regional News (except London). 4.00 Play School. 4.25 Pixie and Dixie. 4.30 Jackanory. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.15 Kizzy.

5.45 News.
6.00 Nationwide.
†6.55 *Men Of Action*: "Treasure Of Kalifa," starring Tab Hunter.
8.15 Dave Allen at Large.
9.00 News.
9.25 Olympic Grandstand.
10.40 Tonight.
11.15-11.17 Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Wales—5.15-5.40 p.m. Llon a Llwyd. *5.30-5.35 Ffliwc!* 5.35-5.45 The Clangers. 6.00-6.55 Wales Today. 6.55-7.15 Heddiw. 7.15-7.45 Pobol y Cwm. 7.45-8.15 Steptoe and Son. 11.15 News and Weather for Wales.

Scotland—10.23-10.43 a.m. and 2.40-3.00 p.m. For Schools. 6.00-6.55 Reporting Scotland. 11.15 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.55 Scene Around Six. 10.40-11.10 Spotlight on what matters to people in Northern Ireland. 11.10 Northern Ireland News.

England—6.00-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth).

BBC 2

7.30-7.55 a.m. Open University.
10.25 Nai Zindagi Naya Jeevan.
11.00 Play School.
5.50 p.m. Open University.
7.05 The Heath and Safety Special.
7.29 Weather.
7.30 Newsday.
8.00 The Fishing Race.
8.25 Arena: Theatre — British premiere of a new Alan Ayckbourn play.
9.00 The Mike Reid Show.
9.45 Just a Nimmo.
10.15 The Glittering Prizes.
11.35 Newsnight.

11.50-11.55 Closedown: Bernard Hepton reads "Then," by John Stallworthy.

LONDON

9.30 a.m. Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 p.m. Rainbow. 12.30 Mr. and Mrs. 1.00 First Report: News, plus FT index. 1.20 Lunchtime Today. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 About Britain. 3.25 There Goes That Song Again. 3.55 General Hospital. 4.25 How. 4.50 The Tomorrow People. 5.20 The Flintstones.

5.50 News From ITN.
6.00 Today.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 And Mother Makes Five.
8.30 Oh No It's Selwyn Froggitt.
9.00 Life and Death of Penelope.
10.00 News.
10.30 The Wednesday Special: The Evening Standard Drama Awards.
11.30 Wrestling.
12.00 What The Papers Say.
12.15 a.m. Cause and Cure.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Hogan's Heroes. 6.00 About Anglia. 12.00 The Big Question.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 ATV Today I including Junior Police Five. 6.00 ATV *Today II*.

BORDER

12.30 p.m. Untamed World. 1.20 Border News. 5.20 Supersonic. 6.00 Border News and Lookaround. †12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Supersonic. 6.00 Channel News. 6.10 The Amazing Chan and the Chan Clan. 12.00 Epilogue followed by News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Thrillseekers. 5.45 Police *Newsroom*. 6.00 Grampian Today. 12.00 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Granada *Reports*. *6.30 University Challenge*. 11.30 What The Papers Say. 11.45 Wrestling.

HTV

12.30 p.m. Bygones. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Daily Fable. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The Girl Who Talks to the Animals.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Rhifeddodau. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Laceybuttonpoppers. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Scotch Corner. 12.00 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 *Sinbad Junior*. 5.25 Crossroads. 6.00 Day by Day. 12.00 Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 5.20 Today Before Six. 6.00 Today At Six. 11.30 Chess Masterpieces. 11.40 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.25 Ulster News Headlines. 5.20 Out of Town. 6.00 UTV Reports.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Supersonic. 6.00 *Westward Diary*. 12.00 Westward Late News. 12.30 a.m. Faith for Life.

YORKSHIRE

12.30 p.m. Bygones. 1.20 Calendar News. 5.20 Calendar. 6.00 Calendar.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (Joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.02 Test Cricket: Australia v The West Indies (report). 8.27 Racing Bulletin. *8.45 Pause for Thought*. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.05 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Pros and Cons (S). 7.30 The Great American Railroad. 8.02 All Time Hit Parade (S). 9.30 Sing Something Simple (S). 10.02 Sports Desk. 10.05 Command Performance (S). 11.02 Jean Challis with The Late Show (1,500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Your Midweek Choice, part 1 (S). 8.00 *News*. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Mozart (S). 9.50 St. Albans 75 (S). 10.25 Faure, Busoni, Ives song recital (S). 11.30 Orpheus Britannicus (S). 1.00 p.m. News. 1.05 Concert Hall (S). 2.00 Royal Repertoire (S). 4.35 The Urals Accordion Trio (S). 5.00 Choral Evensong. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). ‡6.30 *Lifelines*: Language and Communication. 7.30 Smetana and Martinu concert (S). 8.25 The Arts Worldwide. 8.45 Cavalli and Carissimi 1602-76 and 1605-74, part 1 (S). 9.20 Reading from the English translation of the Bible, published in 1535. 9.30 *Concert, part 2*. *10.00 The Emperor of* Outer Space. 10.40 Ashkenazy Plays Chopin (S). 10.50 Music Now. 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 6.30-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Day. 6.45 Today including 6.50 VHF Regional News, 6.55 Weather, programme news. 7.00 News and more of Today including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day, 7.50 VHF Regional News, 7.55 Weather, programme news. 8.00 News and more of Today including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. ‡9.05 The Living World ‡9.35 The Moon's A Balloon. ‡10.00 News. ‡10.05 In Britain Now. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Sweet Songs of Zion. ‡11.30 Thirty-Minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Top of the Form. ‡12.55 Weather and programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour († from 2.00) including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 All Right on the Night? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Oh, Get On With It! 6.45 The Archers. *7.00 News Desk*. 7.30 It's Your Line. 8.30 A Story of Our Time. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 4.03 In the News. 4.32 Home Run including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Quest. 8.30 Soul 77. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

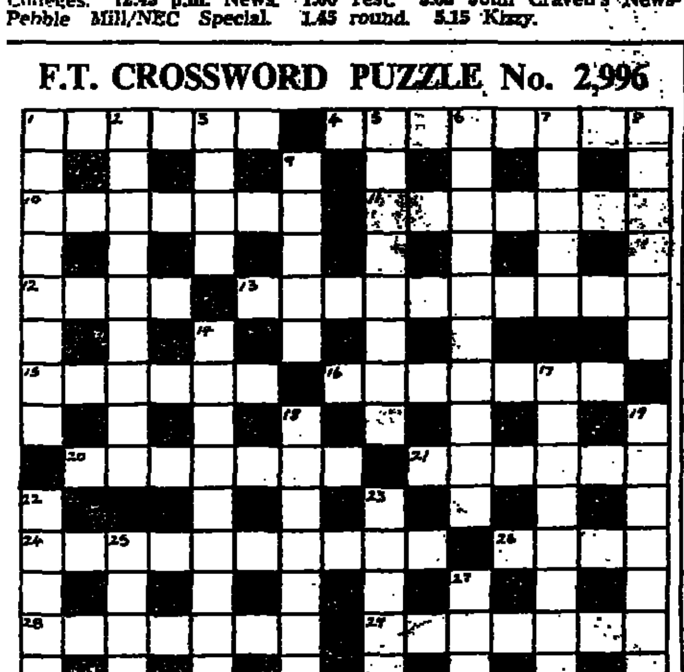
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. *5.00 Newsbreak*. *7.30 Jazz in Stereo*. 9.00 Nightline. 2.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. The Breakfast Show. 9.00 Michael Aspel. 12.00 Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It. 11.00 Tony Myatt. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,996



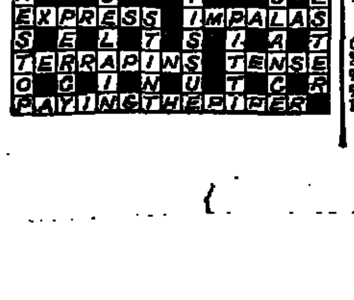
ACROSS

1 Dishonest persons give support to shepherds (6)
4 Expression in America means the end for the commuter (8)
10 A number in the money get an aerial (7)
11 Commander with information goes to church with urgency (7)
12 Abandoned—it is not right (4)
13 Moor's topic about one in the printer's (10)
15 Scold doctor with work that gets no return (4, 2)
16 To get this period to come into line needs skill (7)
20 Afflicted with a hand in the money (7)
21 A quarter with board is constant (6)
24 "*Be off, or I'll kick you*—" (Lewis Carroll) (10)
26 Hint about a beginner—you're looking at it (4)
28 Insect bound to annoy the suitor (7)
29 Teach me about the cleaver (7)
30 The heavyweight aboard perspires (8)
31 Numbers turn to catch the poem (6)

DOWN

1 Daily careful about the youngster (8)
2 In accordance with etiquette, but not at one's best (3, 2, 4)
3 Hypocrisy we hear from a philosopher (4)
5 An adventure to avoid about this period (8)
6 Justice a wise man treats differently (10)
7 Bible portion contains one musical composition (5)
8 "Comes the blind Fury with th' abhorred—" (Milton) (6)
9 The joint for a titled person (5)
14 Competitor satisfied about the confused thanks (10)
17 Abel's turn to be an officer (9)
18 One who absconds with a worker in the bar (8)
19 People in principle make a dwelling-house (8)
22 We need a long time to notice proverbs (6)
23 Gets the Reds together before the break (5)
25 Sounds crazy, but he has an Oscar (5)
27 One in the chosen race answers back (4)

Solution to Puzzle No. 2,995



Leonard Burt

...rton and Kate Crutchley in the new musical, 'The Lady or ...e Tiger,' that opened last night at the Fortune Theatre

Television

The business of government

by CHRIS DUNKLEY

Man differs from other animals in a number of ways. He laughs. *He is, according to a fascinating* but bitty compilation of film clips about the human body called "The Incredible Machine" shown last week by *Horizon*, the only animal to cry for emotional as well as physiological reasons. He is the only species to go in for genocide.

Setting man aside from the other animals most clearly, however, is his highly developed ability to communicate and the way in which he has used this ability to pass on from one generation to the next the full sum of knowledge acquired by all previous generations. It is a cumulative and consequently ever more complicated and time consuming business, dealt with, supposedly, by special places called "schools."

But schools are remarkable for being very concerned with methodology—"Sir sir why do I have to do seven years of Latin sir?" "To teach you to *think* Dunkley"—and very unconcerned with the practicalities of life—"Sir sir wouldn't Russian be more useful?" "Kindly stop thinking about Russian Dunkley and learn the pluperfect of amo."

The very *things* that *really* concern most young people—the opposite sex, learning to drive, factory jobs, hire purchase agreements—are the very things that schools steadfastly ignore.

In this newspaper's correspondence column last week Mr. N. Stacey said *inter alia* "To understand how the modern state hangs together, the production, distribution and exchange functions must be broadly understood by all who, in whatever job, will earn an income. Would it therefore not be desirable for all school children to receive, say, ten hours of instruction on these subjects in their school leaving year?" Ten hours sounds pathetically little to ask out of ten years schooling, yet it would be ten hours more than most pupils get at present.

It is this appalling lack of instruction in the way that life actually works that has made the rôle of television even more important than it would in any case be in modern life. More effectively than any other mass medium television can pass on facts in subjects where the accumulation and transfer of knowledge is most difficult.

This can be put in a pejorative way: some say that in the past 20 years violent protest of all sorts has increased because of the examples shown on television and undoubtedly television is partly responsible. But it can be seen in a much kinder light: having seen televised examples of protest and self-help campaigns, few people to-day would allow a bad bureaucratic planning decision which affected their lives to pass unopposed.

This particular area was for a long time cultivated by *Man Alive* and it is heartening to see that the new *Man Alive Report* is not now letting it run to seed.

Another area which is, again, enormously important in the practicalities of our lives but ignored by schools is the one which Roger Graef called "The Space Between Words" in a television series which he made under that title some years ago. He was concerned with communication itself, between individuals, between groups, and between individuals and groups. Modifying techniques and equipment *to his special needs, he* made verité films about the way that diplomacy, union/management relations, schools, families and so on actually function.

It is heartening to see that this effort has not been abandoned either. Graef has now made three not dissimilar programmes for Granada called *Decisions*, about the British Steel Corporation, Hammersmith Borough Council, and Occidental Petroleum.

The Man Alive Report does not appear to have exactly the same aims as *Decisions*, but in the long run the broad aims seem to be similar: much as, say, the aims of the *Daily Mirror's* sadly defunct "Inside Page" were broadly similar to those of the *Sunday Times's* "Insight" column.

The methods, however, differ significantly.

In the days before its silicone surgery job *Man Alive* habitually used two techniques: investigatory film, and studio discussion.

A still from to-night's 'Decision' (Granada)—Hammersmith Borough Council considering its budget

Sometimes the programme was all film, and occasionally all discussion. Often it consisted of a film followed by a discussion. It was a flexible structure, though clearly it was the film sequences which were of central importance, and these almost invariably excluded the Alan Whicker style promotion of the reporter. *Man Alive* reporters' voices were heard but their faces very rarely seen (during the last five years or so, anyway).

Now in *The Man Alive Report* we are presented with a live studio show—last week containing filmed inserts—with not one reporter but four, and all of them converted to studio interviewers and consequently competing to grin at us. They do so not while sitting in old style fuddy duddy Mies van de Rohe type chairs, but while standing and leaning in the most contrived and artificial manner imaginable on a series of tall *grey monoliths which are dotted* about the studio like the family tombs in Highgate Cemetery. Propped against these, they play "pass the parcel" with the subject: "What do you think of that Mr. Smith? . . . I see, and now over to you Cecil."

It is a disastrous example of change for its own sake, and looks like a typical result of the Abilene paradox in which everyone is privately against a suggested course of action but publicly acquiesces for fear of *seeming old fashioned*, unadventurous, and in a minority.

Last week's *Man Alive Report* film of Blackshirt style "stewards" ejecting members of the public from a supposedly public inquiry in the Aire Valley was one of the most astonishing and dramatic sequences to be shown on television for a very long time. Yet its point was blunted by the absurd studio business which not only followed it but was allowed to interrupt it.

In contrast the *Decisions* series is all film: unusually large quantities of it shot by Charles Stewart, virtuoso *of the hand*-held camera, with sound recorded via miniature microphones by Iain Bruce and Mike McDuffie, the miles of "fly-on-the-wall" film resulting from several months of this activity being pared down and down by editor Terence Twigg. It was this team—under director/producer Roger Graef and with the same researcher, Diane Millward — which made *The Space Between Words* for the BBC and then, for Granada, spent four months inside a Whitehall ministry two years ago and produced *The State Of The Nation—A Law In The Making* which in a couple of hours must have taught any viewer other than an experienced civil servant more about the British constitution and the way that we are *really governed than all the years* of school life put together.

Of *Decisions* Granada's publicity blurb quotes Graef as saying "The films are made in the belief that in a democratic society everybody has the right to know how the decisions that affect them are arrived at."

I share the belief, and after watching last week's programme about the BSC's deliberations over buying new iron works, and last night's about Hammersmith *Council's deliberations over rates* cuts (or increases, to be strictly accurate) I have to say that Graef and his colleagues have succeeded only too dispiritedly well.

Dispiriting in the sense that one would never have believed without actually seeing it that the gentlemen of the BSC would be capable of behaving so like the lady in the cartoon returning from the spring sales and adding up her savings: "£10 on the coat, £5 on the shoes, and £3 on the handbag—that's £18 saved today" without mentioning that *she had no need of coat, shoes* or bag which have just cost her £35.

True, the BSC was not sure whether it would need one plant from Korf at £26m., two for £43m. (rather like Brentford nylons—"Buy two now and save £9m!") or none at all. Chairman Sir Monty Finniston made this clear when he said "I think people just have to back their hunches."

The programme brought out the ritualistic nature of informal office meetings followed by formal committee meetings, just as last night's programme did with the Hammersmith rates story, though in a way the question of the point at which corporate decisions are actually achieved was even more mys*terious* after the two programmes than before.

But undoubtedly watching both programmes right through (the participants and hence the programmes becoming more rather than less interesting the longer they went on) would teach more about living in Britain to-day than any four or five normal years of schooling rolled up together.

Palladium

Shirley MacLaine

by MICHAEL COVENEY

Shirley MacLaine is in town for two weeks and should not be missed. As with all genuine stars, it is impossible to define her essence but a privilege to indicate the symptoms of quality. Riding triumphantly in on our memories of *Sweet Charity* and *Irma la Douce*, Miss MacLaine's stint demonstrates her talent as dancer, singer and effervescent performer in a style I suspect strongly influenced by the recent New York musical *Chorus Line*. It is almost as if she sets out to prove the magnetic, life-giving properties of the spotlight; indeed, at one point, she drags her supporting quintet one by one into the inspirational glow and commands them to let rip. This they do, in attitudes of studied reluctance, before joining their leader in a rumbustious setting of "The Donkey Serenade" to the rhythms of the latest dance craze, The Hustle.

Miss MacLaine, although she leads us through the outline of a career in which she has played, on film, 14 hookers, five loose housewives and a nun who ends up as a hooker, refuses to let her old material slip by without spraying it with fresh paint. So the slight ballad of "Irma la Douce" is given the full Jaques Brel treatment, the lyrics squeezed for every possible ounce of emotion without once sounding even half-banal. The song is dedicated to the prostitute with whom she studied for the part, and even that dedication rings convincingly around the theatre

A spoof Julie Andrews number underlines Miss MacLaine's ability to be lovable yet tough, sweet yet unsentimental, funny yet not twee. Her legs, miraculously long and incredibly agile —I lost count of the jazz dance detail merely because one is continually drawn back to her winning smile and sexy personality—flash elegantly across the stage in complex patterns of beautifully finished emphasis; and, on top, the red hair bobs in deadly time to the beat of a particularly expert Palladium band. She is glad to be here, and although she says so, we really do believe her.

She risks her neck with a re-run of a battered plea to Dean Martin in *Some Came Running* and scores a victory for pure *schmaltz*; and, with the assistance of an engagingly sloppy female duo, she raises hell with her biggest hit of all, "Big Spender" from *Sweet Charity*. Adoring the limelight with *klutz* and guts mixed in dynamite proportions, the tom-boy graduates to star status by shedding the hooker image as easily and assuredly as it is assumed.

The bill is completed with first-half contributions by a singing mimic, Paul Melba, who does a very good Duke of Edinburgh, and Buddy Greco, who will please all fans of Buddy Greco. After the interval you will see an entertainer more than worthy of these hallowed boards. For which, in these vaudeville-starved times, much thanks.

The 1776 Exhibition

The Queen, accompanied by the Duke of Edinburgh, will open *1776* at the National Maritime Museum, Greenwich, on April 14. Sponsored by The Times, Sunday Times and Barclays Bank, with the co-operation of the National Maritime Museum and with the support of the National Army Museum, the exhibition promises to be an outstanding British contribution to the celebrations marking the bicentenary of the American War of Independence this year.

The exhibition, a chronological story leading up to the signing of the Declaration and the events that followed, is highlighted with many famous portraits of contemporary personalities and includes a collection of uniforms, weapons, unique documents and memorabilia. All these are set against a background of reconstructions, models and audio visual effects.

Set in the upper and lower galleries rooms of the newly reconstructed West Wing of the Museum the visitor will walk past the Boston tea party, through an 18th century coffee house and by the great Admiral Lord Howe's cabin. He will meet the rebel army in a Philadelphia tavern and be present at famous battles such as those at New York and Yorktown.

1776 contains one of the finest and most valuable group of portraits by Gainsborough, Reynolds, Copley, Benjamin West, Romney, Zoffany and Charles Willson Peale. Exhibits have come from many collections and parts of the world including items the Queen has lent from the Royal collections.

A major exhibition, conceived on the scale of the Tutankhamun and Chinese Exhibitions, *1776* will cost around £1m.

Royal premiere of 'Moses'

There will be a royal premiere of the film *Moses* in the presence of the Queen and the Duke of Edinburgh on March 1 at the Dominion, Tottenham Court Road. It will be in aid of the British Olympics Appeal Fund.

600 mile

House Downstairs

Man is Man

by B. A. YOUNG

...parable demonstrat... with a few simple ... can convert an Indian ...r into a British soldier ...hoot down his fellow- ... they're on the other ...ways struck me as too ...o be convincing. I ...nk it's accidentally ... I think it is expressly ...or ignorant audiences ... have everything sim- ...he ultimate limit, who ...t in the confusion be- ...lia and Malaya and ... the impersonation of ...t by two soldiers and ...t believing that what ... learnt about military ... an eternal truth.

...n any but the most ...t fashion, *Man is Man* ...barrassing. Howard ...roduction for the RSC, ...ear at the Other Place ...d, aims at the intel- ...el of a game of pon- ... one is entertained if ...ed. The troops wear ...*mation to Army tropi-* ...t they are not meant ...tic, with their beards, ... and unbuttoned col- ... Gay the packer and ...e as European as the ...ly Ben Kingsley as ...suggests, in a perfor- ...tandingly better than ... an origin far from

...pany seemed at first ... the theatre's ghastly acoustics, and I heard few of the words of the songs, newly set by Guy Woolfenden in a style that sounds as apt as Dessau or Weill. Later, when they, or perhaps we, had settled down, things improved, though Mikel Lambert must work much harder if she is to confide to us what the Widow Begbick's songs are about. Geoffrey Hutchings made little *distinction* between his first incarnation as Galy Gay and his later transformation as Pte. Jeraiah Jip (an Irish family, we're told): but this is in accordance with the general lines of the production. I would have been more convinced if we had been shown a change in something other than his name.

The translation is by Steve Gooch. If he will forgive me: soldiers' identity documents are their paybooks, not passes; sergeants do not say "Everyone on parade" but "Fall in;" "hit the *hay" won't do for the British in* 1925; there are no "green rye-fields of Wales." "Send my damnation, God, upon me!" may be faithful to the German (which I haven't read); but it won't do in juxtaposition with "Look at him get dug in." "The last phrenological specimen" seems to me nonsense. "Five rounds" means five shots, not five volleys. In fact the whole thing needs a thorough going over.

can regai...

...etter

Headless but undefeated

by WILLIAM WEAVER

...itudes of the Rome ...e past year or more, ... a national scandal. ... neither a general ... an artistic director, ...dell'Opera has man- ...ntinue putting on ...s, amid strikes, ...ons, and an incred- ... of behind-the-scenes ...eying. At Christmas ... a general manager ... The surprising ...Libero De Libero, a ...l poet in his late ...reviously associated with music or with theatre management. A few days after his appointment (apparently without having set foot in his office), De Libero sent a telegram of resignation to Rome's mayor.

Now another general manager has been chosen: the Christian Democrat journalist and broadcaster Luca Di Schiena, also without any musical or theatrical experience, but a loyal party man, who can count at least on strong political support. Most people seem to feel that somebody is better than nobody (hardly flattering to Di Schiena), and perhaps now a few of the major, most acrimonious outstanding problems can be solved, giving the theatre a chance to regain its former position of prestige.

The first new production of the season, currently playing, was *Il matrimonio segreto*. The Cimarosa opera is ill-suited to the large house (in Milan it is given in the Piccola Scala), but this new staging was not without interest. Some years ago, the Teatro dell'Opera had a great success with an *Oedipus Rex* of Stravinsky designed by the sculptor Giacomo Manzù. Mindful perhaps of this precedent, the theatre called the well-known sculptor Emilio Greco to design this *Matrimonio segreto*. The basic set hardly bears the artist's imprint: it is the standard, useful rococò room we see so often in *Così fan tutte* and other 18th century comedies. Greco made it versatile, and at one point it became a kind of *sala terrena*, overlooking a garden where there was—rather incongruously — a Maillol-like Greco statue. Greco's hand was also visibly present in the drop-curtain, an attractive blown-up drawing of a pair of lovers' heads. Malgari Onnis designed the becoming costumes, and Marcella Govoni was in charge of the traditional, but agile staging.

The cast was largely young—another source of interest in this production. The Carolina was Rosetto Pizzo, a soprano already noticed here as an *appealing Amina* in a *Florence Sonnambula* and a pert Norina in Spoleto's *Don Pasquale* last summer. The voice is not naturally seductive; it can be hard and edgy, but Miss Pizzo employs it with remarkable skill and, in tender moments, can give it a wistful colouring.

As her sister, another young soprano, Mariella Devia was also engaging. She is more of a soubrette, but an accurate musician and—like Rosetto Pizzo —an actress of talent. The tenor, Vittorio Terranuova, was new to me. At times he seemed uneasy, but the voice is sweet. One would like to hear him again, in a more compelling role.

More experienced artists were assigned the other parts: Carlo Cava (Geronimo), Franca Mattiucci (Fidalma), Alberto Rinaldi (Conte Robinson). They made positive contributions to an evening that was almost constantly enjoyable, in spite of Carlo Franci's rigid conducting.

Like the Rome Opera, the Santa Cecilia Orchestra is also headless. Its most recent regular conductor, Igor Markevich, resigned last season. It had been some time since I had heard the orchestra, and I was happy to discover that the improvement achieved during Markevich's control seems to have been maintained. On this occasion, the conductor was the young Gabriele Ferro (who conducted impressively at the Siena festival last autumn, reviewed here by Andrew Porter).

His programme was ideally designed to show off both the orchestra's abilities and his own. First, the Boccherini Sinfonia op. 12 No. 4 ("Casa del diavolo"), to illustrate the precision and glow of the strings. Then a recent Berio piece, *Points on the curve to find*, for piano (the brilliant Katia Labeque) and 22 instruments, mostly brass and woodwinds. Thus the orchestra's ability to cope with new music was demonstrated. And finally, the sumptuous *Messe due sacre* in A major of Cherubini, a solemn work written in 1825 for the coronation of Charles X and seldom heard since (this was its first Santa Cecilia performance).

Musically, it was a busy weekend. At the RAI Auditorium, Wolfgang Sawallisch conducted a concert performance of *The magic Flute*. His was an irresistibly fluent, multi-faceted reading, alert to this elusive opera's shifting humours. The orchestra played splendidly, and Sawallisch was seconded by a close to ideal cast. Edith Mathis and Werner Hollweg were the aristocratic lovers; Hermann Prey was the winning Papageno, with a delightful Papagena in Monique Lobasa. As the Queen of the Night, Zsiszlava Donat managed to alternate icily correct coloratura with passages of convincing human feeling. Harald Stamm was the stately, warm Sarastro. But then everyone was excellent, including the three little white-haired boys, whose singing was a marvel of intonation and of purity.

oubles pri...

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WORLD TRADE NEWS

Lome approval gives go-ahead for EEC aid

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Feb. 3.

THE LOME Convention, linking 46 African, Caribbean and Pacific countries in a new trade and aid relationship with the EEC, will *come into effect on April 1*, Community officials announced here to-day. Formal implementation of the agreement, signed on February 28 last year, can go ahead now that it has been ratified by all nine EEC countries and most of the ACP nations.

The agreement's entry into force will make little difference in trade terms, as the Nine are already applying its commercial provisions. The important point is that it will allow a start to be made on payments of Community financial aid and the establishment of the joint institutions foreseen under the Convention.

Officials to-day said 40 ACP *countries had now completed the* ratification process, and Kenya and Tonga were well on the way to doing so. Of the four remaining countries, the Bahamas, Mauretania and Zambia were expected to ratify in the next *few days, but it looked as if* Equatorial Guinea would not do so before April 1.

Meanwhile Jordan has followed Egypt in telling the Community that its offer of a new trade and co-operation pact under the EEC's Mediterranean policy will remain inadequate until financial aid is also included. The "second phase" of *the Mediterranean policy is now* getting under way with the opening of talks with Egypt last week, Jordan yesterday and Syria to-morrow.

The Jordanian negotiators told the Commission team that financial aid, which the nine Governments have still not approved, was the only way the EEC could help to develop their country's economy at the present stage. Community funds were essential for Jordan to take advantage of the agreement's other aspects and mobilise investments from other sources, particularly the oil States, they argued.

The Jordanians also expressed *interest* in long-term contracts for the supply of food by the EEC—at a time when Egypt, the only country so far to have tried to negotiate such a deal, is having serious misgivings about it. The Egyptians are reported *to feel that the limitation of the* major part of their agreement to one year, at the insistence of the Council of Ministers, removes most of its advantages, particularly as far as milk powder is concerned.

Other rumbles of discontent have been heard from Morocco and Tunisia, who concluded negotiations with the EEC at the end of the "first phase" of the Mediterranean policy last month. The two countries are claiming that the Community gave better treatment to Algeria, notably for wine and oranges, after their own negotiations had been concluded.

To-night, however, Mr. Habib Chatty, the Tunisian Foreign Minister, said the difficulty was a small one and should not be allowed to jeopardise the entire agreement between his country and the community. Contacts were continuing with the Commission, and he hoped that a solution could be found by Monday, when the Nine Foreign Ministers are next due to meet in Brussels.

Mr. Chatty told a Press conference that the next session of the Euro-Arab "dialogue" between the Nine and the Arab countries would take place in May. He hoped that the meeting would for the first time be at Ministerial level. He welcomed the prospect of Greece and other southern European countries joining the Community as this would lead to even closer co-operation between the two sides of the Mediterranean.

Brazil outlines oil strategy

BY DAVID WHITE

RIO DE JANEIRO, Feb. 3.

AN OUTLINE of conditions under which foreign companies will be able to prospect for oil in Brazil was published at the week-end by the State-controlled concern Petrobras.

It makes clear that the exploration risk will be borne by the companies themselves, with costs to be refunded in full "during a period to be negotiated" if oil is found in commercial quantities. The companies will also receive remuneration based on the level of production in compensation for the services and risk involved.

Petrobras itself will have "full ownership . . . of all the oil found by the contractor, on land, on the Continental platform or in the sea bed within the 200-mile territorial limit." The communiqué does not specify whether Petrobras will take full control of the production stage once exploration and development are completed, but it is generally assumed that it will.

As reported earlier, foreign exploration will be limited to specified areas, excluding those where Petrobras has already made successful finds. The administrative council of Petrobras has approved ten prospection areas covering 24,000 square miles. These include the Amazon basin, a region in which Shell in particular is known to be highly interested, and sections of the continental platform which stretches down the country's Atlantic coast. The communiqué gave no other details.

Other clauses in the contracts will cover the use of Brazilian manpower and Brazilian-made equipment.

The reception among representatives of foreign oil companies here was cautious, in anticipation of a more detailed prospectus giving clearer indications of the compensation scheme.

Boom-time for digital watches

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

AN EXTRAORDINARILY bleak forecast of the future for traditional watch manufacturers was given yesterday by Fairchild Camera, the U.S. semiconductor company which claims to have become the world's largest producer of digital watches.

Speaking in London at the U.K. launch of Fairchild's two new watch "collections," Mr. Greg Reyes, General Manager of its Consumer Group, said the market for watches "with funny little hands" would hardly grow at all between now and 1980.

Out of 220m. watches made throughout the world in 1975, Fairchild estimates that only 3.5m. were digital. But by 1980 there *could be 90m. a year, accounting for nearly 30 per cent.* of the 320m. total, according to the company. In other words, sales of traditional watches would rise by less than 1 per cent. over the entire period.

Mr. Reyes also forecast a world figure of at least 15m. this year, compared with the 1976 estimate of only 8m. which was set six months ago; he attributes the drastic upward revision to snowballing interest from the watch trade, rather than to wishful thinking on the part of the semi-conductor industry, which currently dominates the digital watch business.

Apart from consumer interest, the key to these forecasts is that *average retail prices are expected to fall dramatically: from £90* apiece last year in the U.K. (lower in the U.S.) to half that figure by the end of 1976, and only £12 by 1980. With semiconductor components dominating the cost of digital watch manufacture, the electronics makers must have a particularly clear view of such price trends.

Mr. Wilfred J. Corrigan, the Liverpool-born and U.K. educated President and Chief Executive of Fairchild, denied that the digital watch business would follows the same price trend as calculators, where there has been controversial cost-cutting on already-introduced models.

See Men and Matters, Technical Page

Yugoslavs amend import policy

BY A. LEBL

BELGRADE, Feb. 3.

IMPORT LICENCING measures imposed last summer in Yugoslavia expired on December 31, so that the old foreign trade policy has been reinstated basically *unchanged as from January 1*, of this year. There are, however, some shifts in emphasis, if not outright modifications. One is a closer link between exports of a company and its imports, while another is a general increase in tariffs.

A Yugoslav concern wishing to import goods will be able to do so to the extent that it succeeds in increasing its exports compared to a reference period. The details are not yet quite clear except for that it will be done less by Government intervention than through voluntary agreements, possibly within the framework of the Chambers of Economy, and through banks. Broad guidelines will be set by the Federal Government in view of the balance of payments situation to be reviewed quarterly. At the moment the overall target for 1976 is to increase the volume of exports by 9 per cent. and that of imports by 6 per cent.

As for the tariffs, two laws concerning them are being prepared. The first will deal with principles and here the major change is that tariffs will have to perform a new function: to support the development objectives, in addition to their protective and fiscal functions. That means that developmental priorities—at the moment energy, raw materials and food, plus a few to be determined later — will enjoy support through tariffs as well. The second law in fact sets out the new tariffs with some 7,000 variations.

Meanwhile, as from the new year, there are no tariff exemptions. Every import will be dutiable, the minimum rate being fixed at 5 per cent. Exceptions are possible lower tariffs consolidated in the earlier GATT rounds, imports for the national defence, imports of some humanitarian organisations and some imports from the least developed countries. In some *cases tariffs can be reduced but* no more than 50 per cent.

Increased tariffs will be an additional burden for some projects under construction. However, one of the Government's aims was to induce local investors to buy Yugoslav machinery and equipment instead of importing it.

Finns seek new measures

BY LANCE KEYWORTH

HELSINKI, Feb. 3.

FINLAND WILL start to phase out on February 15 the import deposit scheme introduced in March 1975. The goods to be freed from the import deposit obligation on that date are mainly industrial raw materials that have hitherto been charged a deposit of 5 per cent. on the landed value of the goods.

The Finnish Government gave an undertaking to the IMF last year when it requested credits totalling about F.Mks.735m. (£95m.) that it would abolish the import deposit scheme by March 24, 1976. In fact, the import deposit law is valid until the end of the current year, and there is a suspicion that the Government is seeking to extend the scheme in some form.

Meanwhile, another move to discourage imports has been announced by the Bank of Finland. Effective March 1, short-term import credits that run longer than six months will be charged a special "over-term" fee. For the first six months of over-term, the fee will be ten per cent. of the balance due on the credit, and for each of the four months thereafter five per cent. of the balance.

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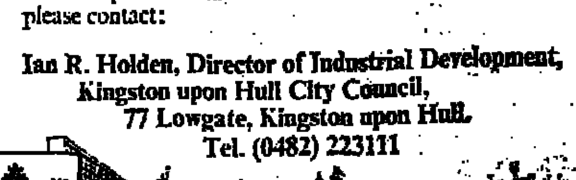

Hull~a Great British City

Parsons in S. Korea Candu deal

By Our Foreign Staff

C. A. PARSONS has won a contract to supply a 680 MW turbine generator for South Korea in association with its Canadian subsidiary company, Howdon Parsons. The C. A. Parsons share of the contract is *worth about £9m.*

The generator will be installed in Korea's first Candu nuclear station near Taegu which is being supplied by Atomic Energy of Canada which is engineering the overall contract. It is the first generating set to be ordered from Parsons by Korea, where the new station is due for commissioning in 1981.

C. A. Parsons has supplied equipment for a large number of the nuclear projects undertaken by Atomic Energy of Canada. It was not therefore competing directly against other turbine generator suppliers for the contract.

The company is not participating in the similar agreement which the Canadians are currently financing in the Argentine. In this case as with Candu plants supplied to India, the Government has stipulated that equipment *be supplied*, wherever possible, by local contractors.

It is the first major order won by Parsons since January last year. With the home market for generators virtually drying up at the moment, the contract is especially welcome to help secure the jobs of 6,500 workers.

The financing for the British contribution to the project, in which GEC Turbine Generators is also involved, is being arranged by Hambros Bank under ECGD guarantee. The amount of the Hambros loan will be £20m.

The overall structure of the financing for the project is understood to involve two U.S. dollar loans to cover the down payment —$9m. from Lazards and $15m. from Royal Bank of Canada—and three term loans: $C300m. from the Export Development Corporation, which is Canada's equivalent of the Eximbank; $US30m. from Royal Bank of Canada; and the Hambros loan.

Swedish protest

By William Dullforce

STOCKHOLM, Feb. 3.

SWEDEN YESTERDAY formally protested to the U.S. against its proposed restrictions on special steel imports. In a letter handed to Assistant State Secretary Robert S. Ingersoll by the Swedish Ambassador in Washington, Wilhelm Wachtmeister, the Swedish Government expressed "deep concern" about the import quotas proposed by the International Trade Commission, which would entail cuts of around 10 per cent. in American special steel imports.

The restrictions, which would *affect about half the Kr.400m.* (£45m.) annual exports of Swedish special steels to the U.S., would be a serious setback to the industry, the letter said. It referred to the increasingly critical production and employ*ment situation* among Swedish steel works and pointed out that Swedish steel production as a whole fell by 9 per cent. last year.

The letter was backed up by statistics which the Swedes *claim* show that the American special steel producers' difficulties stem from fluctuations in domestic demand rather than from increased imports. The Swedish Government also warns that U.S. action against steel imports could lead to protectionist measures in other fields.

The ITC quotas would in fact allow the Swedes to increase exports of stainless sheet and strip and stainless plate but it is doubtful whether the Swedes could sell their full quota of plate, a market which they have lost since 1974.

Worst affected would be the profitable alloy and high-speed tool steels, where the Swedes *have certainly* been expanding their market. The recommended quota is 7,550 short tons compared with 1974 exports of 9,544 tons and 7,713 tons for the first nine months of 1975.

Other quotas with 1974 figures in brackets are stainless sheet and strip 9,111 tons (6,681 tons), stainless plate 4,758 tons (1,256 tons), stainless bars 1,476 tons (2,137 tons) and stainless rods 3,925 tons (4,972 tons).

U.K., Turkey sign lorry transit pact

By Metin Munir

ANKARA, Feb. 3.

BRITAIN and Turkey have signed a highway transit agreement which will enable British-registered TIR lorries traversing Turkey to benefit from a preferential tarriff system, a senior Foreign Ministry official told the Financial Times here to-day.

Last month Turkey introduced a new transit tarriff system incorporating higher fees for TIR vehicles. Denmark, Finland and Sweden have already signed agreements accepting the new system and Norway, France, West Germany and Switzerland are among the countries which are reported by the Foreign Ministry to have expressed intention of following suit.

The British agreement will go into effect on February 15.

Notice to the Holders of
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BENEFICIAL FINANCE INTERNATIONAL CORPORATION
By H. A. Tucker,
Executive Vice President

Name change

Northern Electric is planning to change its name to Northern Telecom, in order to allow it to use one name throughout the world. In the U.S., its second major market after the home Canadian base, its current name is already used by another company, and there is also a telecommunications supplier called North Electric.

AMERICAN NEWS

U.K. envoy hits out at Moynihan

BY QUENTIN PEEL

MR. IVOR RICHARD, the British Ambassador to the United Nations, yesterday attacked the *confrontation* policies of the United States at the UN, and in particular the role of the retiring U.S. Ambassador, Mr. Daniel Patrick Moynihan, who an*nounced* his retirement on Monday.

In his most outspoken criticism to date Mr. Richard accused the U.S. of leaving the West "headless" at the UN, *and of treating the organisation* as a forum for ideological confrontation rather than constructive co-operation.

"The United States has put itself in a position where it is *isolated," he told* an audience at the Royal Institute of International Affairs in London. "It has irritated its friends and antagonised its enemies." In recent months, he said, "a degree of bitterness and rancour" had grown between the Western powers in New York.

Mr. Richard, the former British Labour MP who took up his appointment in 1974, made no secret of his personal differences with Mr. Moynihan. He made clear his opinion that the U.S. envoy had forced U.S. foreign policy into an untenable position.

In a wide-ranging speech, the British Ambassador emphasised the importance of the current economic debate at the UN, which had replaced much of the former political content of discussions there. He identified the attitude of Western nations to the countries of the Third World as the key to the divergent policies of Britain and the U.S. at the UN.

"We can be quite open about the differences between Ambassador Moynihan and myself," Mr. Richard said. "There is a difference of perception." The British attitude was that the UN was an instrument of British foreign policy and also an instrument of international co-operation. "The contrary view is that the UN is not there *to produce* international co-operation, but is there to be a forum for international ideological confrontation and disputation."

The speech by Dr. Henry Kissinger, the *U.S. Secretary* of State, to the seventh [special] session of the UN General Assembly discussing a New International Economic Order had given the clear impression of moving towards the views of the Third World countries, Mr. Richard said.

But in recent months it was impossible to reconcile some of the things Ambassador Moynihan was saying about the Third World with the sentiments expressed in Dr. Kissinger's speech," he said.

In answer to a question, Mr. Richard said China had brought a directness and honesty to the dealings of the UN. The Soviet Union, on the other hand, had "a strange sense of the relativity of truth."

Kissinger loses his shield

BY JUREK MARTIN, U.S. EDITOR

HENRY KISSINGER and Daniel Patrick Moynihan have *at least two things* in common: both have been Harvard University professors, and both have, in the last year or so, come round to expressing rather similar views on U.S. foreign policy. They have done so in different ways, Dr. Kissinger using his words sparingly, for maximum effect, Mr. Moynihan tossing them off carelessly and courting retribution.

One may have disapproved privately of the other's *modus operandi*, but how great, for example, is the difference between the two following remarks? "I have asked each of our embassies overseas to make clear to its host Government that *one of the factors* by which we will measure the value which that Government attaches to its relations with us will be its statements and votes on that fairly limited number of issues which we indicate are of importance to us in international *forums*," and: "It is a basic foreign policy goal . . . (to break up) . . . mostly new nations, which for so long have been arrayed against us in international forums."

Both were vented last week, the first by Dr. Kissinger before a Senate committee, the second by Mr. Moynihan in his now public, celebrated cablegram in which he castigated the State Department, which Dr. Kisinger *heads, for not supporting tough* realism in the conduct of foreign policy. The departure, therefore, of Mr. Moynihan from his post as Ambassador to the UN presages no change in the substance of U.S. foreign policy—only in its style. Mr. Moynihan is flamboyant, extemporaneous, and controversial; Dr. Kissinger intellectual, conceptual, and equally controversial, but their goals have been seen to come together.

That does not mean that the end of Mr. Moynihan at the UN, presumably to pursue a political and not, as he says, an academic career, is without consequence for Dr. Kissinger. The Secretary of State has been exposed increasingly in the last couple of years, and *intensively* in the last six months, to public criticism for his conduct of foreign policy. In the shifting sands of Washington the end of Mr. Moynihan may mean, as one expert has put it, "a possible minus" for Dr. Kissinger's con*trol over foreign affairs within* the Ford administration.

In crude terms, Mr. Moynihan was Dr. Kissinger's shield against the right wing of the Republican Party. American conservatives have always disliked the UN, loved Mr. Moynihan's criticism of it, particularly since he was popularly supposed to be an East Coast establishment liberal, and gave credit to President Ford for giving him licence to operate. *The attacks* launched by Governor Ronald Reagan, Mr. Ford's challenger for the Republican Presidential nomination, seemed all the weaker while Mr. Moynihan was speaking in the name of the American Government, and *Mr.* Ford's repeated assertions of confidence in his ambassador went down very well with the right wing.

Now, Mr. Ford's advisers are, generally, not men of vision. The White House is largely peopled by those rooted in conservative politics, not cynical power-seekers like the men who served President Nixon but straightforward operators inherently mistrustful of men like *Dr. Kissinger, who are motivated* by different considerations. Mr. Ron Nessen, the Press secretary, is just such a man: he has repeatedly sniped away at Dr. Kissinger and has not really been silenced. Mr. John Marsh, another Presidential counsellor with "a lot of control over who sees Mr. Ford, is thought to be similarly wary of the Secretary of State.

The role of such men has increased since the "Sunday Night Massacre" last Novemeber, when Dr. James Schlesinger, the Defence Secretary, was sacked. It was thought then that Dr. Kissinger had scored an internal victory, because he had secured the removal of his principal, and, it so happened, conservative, critic inside the Government. But the price he paid was to sacrifice his own *chairmanship* of the National Security Council and his own daily access to the Oval Office. Although, technically, Dr. Kissinger secured his flank by having his own deputy appointed to succeed him at the

Daniel Patrick Moynihan . . . "flamboyant, extemporareaus and controversial."

NSC, and by retaining the chairmanship of a couple of NSC subcommittees, in practice the distance between the State Department and the White House has become greater.

Moreover, it is not merely the White House staff who have sought to insert themselves between President Ford and Dr. Kissinger. Dr. Schlesinger was succeeded at the Pentagon by Mr. Donald Rumsfeld, who had been the President's principal domestic adviser, is extremely ambitious himself, and has no intention of giving up his access to the Oval Office simply because he moved a couple of miles across the Potomac. Mr. Rumsfeld, still learning the ropes at the Defence Department; he has made no public comment to deviate from the government line on foreign policy; he had been as tough with the Russians as Dr. *Kissinger has, but*—perhaps significantly—he has not changed any of the policies that Dr. Schlesinger had put in motion. He has presided over the presentation of an expanded defence budget much as his predecessor would have done, and threatens to become a visible alternative power centre in the administration.

The State Department which Dr. Kissinger heads has become somewhat vulnerable as a result of the Moynihan cablegram criticising its lack of support for a policy of realism. State has been emasculated before: when Dr. Kissinger ran foreign affairs from the White House in Mr. Nixon's first term and Mr. William Rogers was Secretary, it was seen to be demoralised. Now, under Dr. Kissinger, it may be perceived that those who do not necessarily agree with him to be a doubtful instrument. If the suspicion persists in conservative circles that, in spite of the other reasons for Mr. Moynihan's departure, the department helped speed his resignation, *then Dr. Kissinger may be* further isolated.

These considerations, it must be stressed, are the stuff of Washington gossip: they may not amount to a row of beans. It may be that all the administration has lost at the UN is an original style in expressing points of view that are not in dispute within the Government. But if Mr. Ford finds no consolation in the snows of New Hampshire and the warmth of Florida in the next month, then changes in the substance rather than merely the style of foreign policy may be called for. Dr. Kissinger may not be in a position to call the tune.

U.S. decision on Concorde will be announced to-day

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Feb. 3.

MR. WILLIAM COLEMAN, the U.S. Secretary of Transportation, will at noon to-morrow disclose his decision on whether or not the Concorde should be permitted to land at American airports. It will be a verdict of crucial importance to the commercial future of the Anglo-French supersonic aircraft but, whatever he determines, it will not be the end of the battle.

There are three principal options, with a multitude of minor variations. These are:

To ban the Concorde from the United States for environmental reasons. If he does this, it would delight the anti-Concorde lobby in the U.S., but both the British and French Governments have threatened to go to the International Court of Justice on the grounds that such a decision would violate two international treaties.

To permit it to land in the U.S. This would not be the absolute victory it might appear on the surface since the only airport over which the federal Government has unquestioned jurisdiction is Dulles, near Washington, DC. What Mr. Coleman would in practice be saying is that Concorde could use Dulles but that the airlines would have to apply for permission to the local authorities controlling other American airports

To allow a trial service for a period of time to Dulles and, perhaps, John F. Kennedy airport in New York. He would have to specify both the length of the trial period and the number fo permissible flights.

He might also pull something quite surprising out of the hat. He might even formally propose a definitive ruling covering SST noise levels, which might, or might not, completed contradict the proposed noise regulations advanced last month by the Environmental Protection Agency

He could even address himself directly to the still unresolved and highly controversial domestic issue of who, federal or local authority, controls America's airports. Should he do this, however, *by asserting federal jurisdiction*, he would provoke a storm, in comparison with which the arguments over Concorde would appear a mere zephyr.

British and French interests hope that Mr. Coleman *chooses* the second option, though they might be able to live with the third, depending on its conditions. They acknowledge that they would face immense difficulties in securing the necessary local permission *in certain cities*, above all New York, but express guarded confidence for success in the inevitable legal battles that would lie ahead.

U.S. Commerce Secretary Elliot Richardson said yesterday that U.S. relations with Britain would be damaged if the Concorde was banned from landing in the U.S., Reuter reports from Washington. Mr. Richardson was U.S. ambassador to Britain before being appointed head of the Commerce Department.

"Concorde a misdirection of resources" Page 10

FCC report recommends AT and T divestiture

By Guy de Jonquieres

NEW YORK, Feb.

THE FEDERAL Government's legal onslaught on American Telephone and Telegraph's monolithic dominance of the tele-communications industry has been taken a step further by the publication of a highly critical report prepared by the staff of the Federal Communications Commission.

Calling for major changes in AT and T's operating methods, the report recommends that it be forced to dispose of its equipment manufacturing arm, Western Electric, to refund $1.. in charges to its customers and to reduce its current and future annual revenues by more than $800m.

The divestiture of Western Electric is also being sought separately in an anti-trust action brought by the Justice Department, which has yet to reach trial. The FCC proposes, however, that this step be achieved by legislation rather than through the courts.

The recommendations in the FCC staff study are not definitive. They have been submitted to a FCC magistrate who is preparing a preliminary decision for the Commission on the Bell System's revenue requirements and relations with its subsidiaries. AT and T has yet to present its own arguments.

The staff report is particularly scathing about the performance of Western Electric, which sells mainly to AT and T and its operating subsidiaries. In instances where Bell System products have been exposed to market competition, it asserts, the record of Western Electric and Bell Laboratories (which design the equipment) has been found "wanting and deficient."

The report proposes that if Congress passes legislation requiring divestiture, AT and T should be prohibited from including in its rate base the portion of purchases from Western Electric representing the latter's profit.

The FCC staff accuse AT and T repeatedly of waste and excessive charges to its customers.

N-engineers resign over 'danger'

BY JAY PALMER

NEW YORK, Feb. 3.

CALIFORNIA'S growing public movement to ban the continuing expansion of nuclear power received an unexpected bonus late yesterday when three senior managing engineers in General Electric's locally-based Reactor Division quit their jobs and volunteered to work with "project survival," a state anti-*nuclear group*.

The three engineers, who all gave up jobs paying up to $40,000 a year with General Electric, said that they had decided to resign because "nuclear reactors . . . now present a serious danger to the future of all life on this planet."

Interviewed in this morning's New York Times, all three stressed that their decision had been influenced by the "magni*tude of the risks*, both known and unknown, as well as the uncertainties of the human factor." Human error is a very credible event, one added.

The decision of these three to speak out now is immediately seen as giving an important impetus to a proposal that California's June Primary ballot contain a vote on the future use of reactors in the state. In its most extreme form, this could ultimately result in existing reactors being dismantled.

At the same time, other state's anti-nuclear groups who are also *pushing for voters* to be given, a say in the future expansion of reactors, will almost certainly benefit from the publicity.

In California to-day General Electric, the engineer's former employer and the world's largest *single maker of nuclear reactors*, stressed that the three had presented no fresh arguments against the use of nuclear power in their letters of resignation. "They repeat the emotional arguments against nuclear power and appear to have been timed to coincide with other local anti-nuclear publicity releases by local groups," the company said.

Chile lawyers released

BY OUR OWN CORRESPONDENT

SANTIAGO, Feb. 3.

TWO LAWYERS of the dissolved "Peace Committee" were freed here after 75 days of imprisonment at the Tres Alamos camp for political prisoners. The Peace Committee was a multi-church project concerned with human rights, set up after the September 11, 1973 military coup.

The two lawyers were detained during a spate of arrests affecting the committee's staff which *preceeded* the group's dissolution.

After the dissolution of the Peace Committee, the Catholic Church created by itself a Vicariate of solidarity, to take over and expand the range of functions which the Peace Committe had.

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OVERSEAS NEWS

Nigeria creates new states to ease minority problems

BY OUR OWN CORRESPONDENT LAGOS, Feb. 3.

...gerian Head of State, ... Murtala Muhammed, ...nounced the creation of ...w states "in order to ...vernment nearer to the ...and ensure political ..." In a dawn broadcast ... Muhammed, who also ...d that the capital would ...d from Lagos, conceded ...e states do not on their ...lve the problem of ...s, but, he said, the ...ercise was the last and ... agitations for a further ... of Africa's largest and ...ulous country would be ...

... only permanent safe-...gainst the *problem of* ...s is for all of us to ...o live together as ... and treat states as ...or local and even deve-... the Head of State said. ...of the 12 states created ...sed General Yakubu ...n eve of the Biafran ... in 1967, remain intact ...a few minor boundary ...nts. The large North-...and Western states are ... three new states each while East Central, North Western and Benue Plateau are subdivided into two new states each.

The new states are: Ogun, Ondo and Oyo, carved out of the west, with their respective capitals at Abeokuta, Akure and Ibadan; Bauchi, Bornu and Gongola (capitals Bauchi, Maiduguri and Yola) out of North East; Benue and Plateau (capitals Makurdi and Jos) out of the former Benue-Plateau State; and Imo and Anambra (capitals Owerri and Enugu) out of East Central. Three states change their names—Midwest is now Bendel, North Central Kaduna and South East Cross River.

General Muhammed also announced that the federal *capital would be shifted from* Lagos to a central location inland. A new area of 8,000 square kms. would be designated as the federal territory.

The Nigerian leader said that the issue of abandoned properties—a sore post-war point of dispute in the eastern states—would be resolved at once. Arrears of rents would be paid to property owners and some of the properties would be acquired by federal and state governments as well as by individuals at market prices.

General Muhammed said that investigations conducted into the assets of the former state military governors and the civilian administrator of the East Central State revealed that all except two were guilty of corruption and abuse of office. He said that the uniformed officers among them were a disgrace to their profession and they would be dismissed with ignominy. Muhammed said ill-gotten properties worth more than N10m. had been confiscated. "I believe justice has been done," he said adding that appropriate police action awaited the corrupt officers.

Bridget Bloom writes: General Muhammed's speech yesterday arose out of the reports of four separate expert commissions appointed by his Government shortly after it took power from General Gowon last July. While the declaration that those found guilty of corruption suggests that the new Government intends to continue to deal toughly with the sins of the past against which it has come out so strongly, undoubtedly the most significant aspect of the speech is the increase in the number of states.

Zaire bans transit of mercenaries

KINSHASA, Feb. 3.

PRESIDENT Mobutu Sese Seko has banned the use of Zaire territory for the transit of mercenaries bound for the Angola civil war, the Zaire news agency Azap said to-day.

Mercenaries recruited to fight alongside the two Western-backed liberation movements against the Communist supported Popular Movement for the Liberation of Angola (MPLA) have flown from Europe to Angola via Kinshasa.

Azap said President Mobutu made his announcement to Dr. Jonas Savimbi, leader of one of the western-backed organisations, the National Union for the Total Independence of Angola (Unita), this morning.

He would also inform Mr. Holden Roberto, leader of the other anti-MPLA group, the National Front for the Liberation *of Angola (FNLA), of his* decision this afternoon, the agency said.

The agency quoted sources close to the President as saying that the decision was in line with Zaire's policy of neutrality. While denouncing the presence of what it called "Soviet-Cuban" mercenaries fighting for the MPLA, Zaire cannot authorise at the same time other mercenaries, whatever their nationality, to transit via Zaire, Azap added. It said the decision was taken following foreign Press reports *that 80 British mercenaries had* passed through Kinshasa last week on their way to Angola. Reuter

Jane Bergerol reports from Luanda: MPLA military sources claimed to-day that significant numbers of foreign white mercenaries recruited from the U.S. and Western Europe have reappeared alongside FNLA in northern Angola and Unita in the South.

The sources believe the mercenaries are being used by the rival Huambo Government to stiffen their military resistance to the MPLA offensive since most Portuguese have left the FNLA ranks in the North and after the South Africans decided to back down from at least publicly, on their commitment to defending the UNITA front line in the South.

Meanwhile the Benguela railhead port of Lobito appears to be a "no mans land." MPLA is meeting thickly spread mine fields in its advance into the ports that were unofficially reported as evacuated by Unita.

● South Africans must accept the idea of living with a war-like situation for some years to come, Major General Neil Webster, the South African Director General of Defence Resources, said in an interview with the Rand Daily Mail. Reuter

Rabin facing political storm

BY L. DANIEL TEL AVIV, Feb. 3.

ONE OF the first things facing Prime Minister Yitzhak Rabin upon his return from the U.S. at the end of this week will be a motion of no confidence by the Likud, opposition and what are likely to be very serious, if not decisive, divisions inside his own Labour Party. The reason for both is the statement in Washington by a "high official," widely believed to have been Mr. Rabin himself, that the list of arms procurements submitted to Washington had been badly prepared, contained too much gadgetry and thus reflected no credit upon the Israel Government.

This represents a clear swipe at Defence Minister Shimon Peres—a swipe which could not have been more ill-timed and harmful to the cause which Rabin was pleading in Washington. That it should have been made by Rabin himself seems even more incredible since these lists are subject to the scrutiny of the Premier (as well as the Defence Minister and the Chief of Staff) before submission.

Thus it would have been a direct reflection on Mr. Rabin's own judgment who, as former Chief of Staff, cannot plead ignorance on matters military. Nevertheless the reports that it was Rabin who said it persists, though Mr. Philip Benn, a Maariv correspondent who claims to have been present at the meeting when the remark was made, today expressed the opinion that it had been made partly in the form of self-criticism.

Some reports claim that Mr. Rabin made the statement after half a dozen lunches, cocktails, dinners and other meetings when he was in a state of complete exhaustion. If his tongue was loosened then it might reflect the rivalry between him and Defence Minister Shimon Peres, who was a very close runner-up to Mr. Rabin in the Labour Party's central committee's choice for premier.

This does not mean, however, that Mr. Rabin could, at this juncture be replaced by Mr. Peres. The Labour Party is still fully conscious of the three factions making up the party, and Mr. Peres belongs to the Rafi section originally led by Mr. Moshe Dayan.

The former Mapai and Ahdut Aha'avoda sections of the Labour Party would not want to see Mr. Rabin replaced by Mr. Peres for fear that the latter might bring Mr. Dayan back into the Government. If there should be a "palace revolution," then somebody not obviously involved, such as former Foreign Minister Abga Eban would stand a far greater chance.

The Labour Party will try to hold a closed discussion on the whole affair before the non-confidence motion is raised in the Knesset next week. It will no doubt form also one of the major subjects of discussion at next Sunday's Cabinet meeting.

Sadat warns on Beirut

CAIRO, Feb. 3.

LEBANON faces the prospect of more all-out fighting despite the latest ceasefire there, Egyptian President Anwar Sadat was quoted as saying here to-day.

In an interview with the Lebanese weekly magazine Al-Hawardess published by the Cairo newspaper Al-Ahram, the Egyptian leader said his country was prepared "to support even the devil himself" to end the blood-letting in Lebanon.

But he added: "I said four months ago that the Arabs would face a tragedy in Lebanon which could even be more tragic than the establishment of the state of Israel.... Now I say that the tragedy in Lebanon is only just beginning."

Mr. Sadat said he supported the Syrian initiative which helped bring about the current ceasefire in Lebanon. But he said he was also aware "of the tactics to transfer the Lebanese crisis into a conflict between the Christians and the Moslems."

L. Daniel adds: The Israel-Lebanese border is quiet at present. The Lebanese army has returned to its position in the area though not in full strength as yet, Israeli Defence Minister Shimon Peres said this afternoon. He estimated that two out of the three Lebanese army battalions which had vacated Southern Lebanon during the civil war had now returned to their positions. He also said that to the best of his knowledge one out of the four Palestinian battalions which had crossed from Syria into Lebanon had been returned to Syria.

The Lebanese economy after the crisis, Page 14

India oil plan

In a bid to boost crude oil production the Indian government has decided to step up investment in oil exploration in the financial year 1976-77 by more than 30 per cent.—from Rs.2.99bn. in the current year to Rs.3.6bn., writes K. K. Sharma.

Algerian denial

Algeria has denied news reports that the Soviet Union is airlifting arms into the country, reports Reuter. The official Algerian news agency said that Soviet transports landing in Algiers were making technical stops and that their cargoes were for other countries. Their destination is believed to be Angola.

...eria shows ... faith in ...b peace bid

ALGIERS, Feb. 3.

... indicated to-day it ...le hope for Arab ...to end its dispute with ... over the Western ...ut welcomed a United ...nove to find a settle-...

... same time, Algeria ...d its contacts with ...hose Premier Abdel-...lloud, ended a second ... talks with Algerian ...rly to-day.

...s said to have put its ...s at Algeria's disposal ...nt of new fighting.

...t, officials said Morocco ...r to place its dispute ...ria before the Arab ... the Organisation of ...Unity or the United ... Morocco was also will-...operate with Algeria, ...le by building a rail-...provide access to an ... port for iron ore ...at Tindouf in South-...eria.

...n vice-president Hosni ... conferred with King ... in Fez last night for ... time since last week's ... the Moroccan-Algerian ...mgala. Reuter

Another state in turmoil as India acts to delay poll

BY K. K. SHARMA NEW DELHI, Feb. 3.

A BILL seeking to extend the life of the present Lok Sabha (Lower House of Parliament) by a year was introduced to the House to-day and is expected to be passed by both Houses this week.

The general election, which had been due in March, will also be postponed by a year. This period is expected to be used for studying changes thought necessary in the constitution and for stabilising the economy, now showing signs of strength after three years of stagnation.

Meanwhile, the Government to-day announced the appointment of Mr. Justice R. S. Sarkaria, a sitting judge of the Supreme Court, as a one-man commission of inquiry into charges of corruption and misuse of power against the Dravida Munnetra Kazagham ministry in Tamil Nadu State which was dismissed over the week-end following imposition of Direct Rule from New Delhi. The action was taken over a report on the alleged corruption from the Governor of Tamil Nadu. It said the Ministry had disregarded the instructions of the central Government in relation to the emergency and had misused emergency powers. Under cover of the demand the State autonomy, the *DMK Ministry* had encouraged secessionist tendencies, the report added.

The fall of the Janata Front (Peoples' Front) government in the key state of Gujarat is also imminent following the withdrawal of support to it by the 12-member Kisan Mazdoor Lok Paksha (Farmers and Workers Party).

The Front government was formed last June following elections in Gujarat. It is a coalition of five non-Congress parties with a total strength of 86 in the 161-seat member state legislature.

KMLP leaders have made statements alleging deterioration of the law and order situation in the state and withdrawal of the party's support means that the Front will probably fall when the budget session of the legislature begins on February 8.

Iran blames oil companies for budget deficit

TEHRAN, Feb. 3.

MR. AMIR Abass Hoveida, the Iranian Prime Minister, to-day presented to Parliament the current budget, which allows for a $2.4bn. deficit, the first for six years, and charged the Western oil companies with defaulting on their commitments to the Government.

Presenting this year's $45bn. budget, of which 27.2 per cent. goes for defence, Mr. Hoveida blamed the consortium of Western oil companies for a shorter oil revenue by almost $3bn.

At a separate news conference Mr. Abdelmajid Majidi, Minister of State for Planning and Budget, warned the Western oil companies that Iran would take care of its oil marketing if negotiations between the Government and consortium failed to reach a solution to increase the oil offtake to the promised figure of 4.9m. barrels a day.

Mr. Hoveida told Deputies that the consortium had breached its agreement with Iran in a "flagrant" manner. He revealed that in the last quarter of 1975 the amount of oil lifted by the companies fell short of the 4.9m. b/d agreed by an average of 1.17m. b/d. Moreover, he charged them with baulking on their commitment to provide 40 per cent. development and exploration expenditure.

Neither Mr. Hoveida nor Mr. Majidi disclosed how Iran would tackle the direct marketing of about 4.9m. b/d of crude scheduled for 1976.

AP-DJ

Pertamina chief departs

BY OUR OWN CORRESPONDENT JAKARTA, Feb. 3.

THE GRADUAL removal of Lt.-Gen. Ibnu Sutowo from the Indonesian state oil corporation Pertamina has moved a step further with the chief executive's departure for apparently lengthy leave abroad.

His "proxy" will be Pertamina's Director for General Affairs, Mr. Wiyarso, a senior Mining Ministry official who was brought into the senior management of Pertamina last year during a major reshuffle.

A Pertamina spokesman said that the delegation of authority to Mr. Wiyarso was "normal procedure." But he refused to say how long General Ibnu would be away, only that he would go to the United States.

Mr. Wiyarso, a civil servant highly respected in the oil industry here, has been widely tipped as a possible successor to General Ibnu.

However it is clear that President Suharto intends to give General Ibnu a dignified departure, *and* that he may retain nominal control for some time.

The General's record is still controversial here: on one hand he cut through the bureaucracy that hinders other Indonesian enterprises to build an empire that ranks 112th in "Fortune" magazine's list of the 300 biggest companies outside the U.S. Yet he also incurred debts that last year almost shattered the 10-year-old Suharto regime's record of economic progress.

Fraser cuts expenditure

BY KENNETH RANDALL CANBERRA, Feb. 3.

AUSTRALIAN consulates in Bombay, Calcutta, Los Angeles, Hamburg and probably Honolulu will be closed under the latest series of economy measures announced to-day by the Prime Minister, Mr. Malcolm Fraser.

Staff at Australia's two biggest *diplomatic posts, London and* Washington, will also be pruned and representation allowances in the foreign service generally will be cut. Total savings in the Foreign Affairs Department for this financial year are estimated at $A24m., Mr. Fraser said.

His latest economy package overall would save $A360m. to the end of June and proportionately more next financial year. The Prime Minister admitted, however, that he would have liked to find more savings considering the expected budget deficit of more than $A4bn.

Stringent economies in Government were one of Mr. Fraser's key election campaign promises last month. In the latest cuts, $A9m. has been pruned from the funds of the Children's Commission, $A10m. from hospital construction, and $A3m. from the overseas buying budget of the National Gallery.

"We'd like to think that more people fly TWA across the Atlantic because we're terrific."

The in-flight crew (right) may have something.
But of course everyone has their own idea.

Bill Slattery, vice president of schedules, believes ...A's 187 departures every week from Europe, ...h Africa and the Middle East to a total of 35 cities in ...erica have more bearing on the subject.

Harriet Korn, director of in-flight, puts up an ...esting case for the choice of 2 films and 8 tracks of ...national audio on every Trans World Service flight.*

Dieter Buehler, head of dining, says that the choice ...meals in Economy and 5 in First Class is a much ...e satisfying reason.

Jules Rondepierre, interior designer, suggests that ...A's wide, body-contoured seats in 747's are more ...e point.

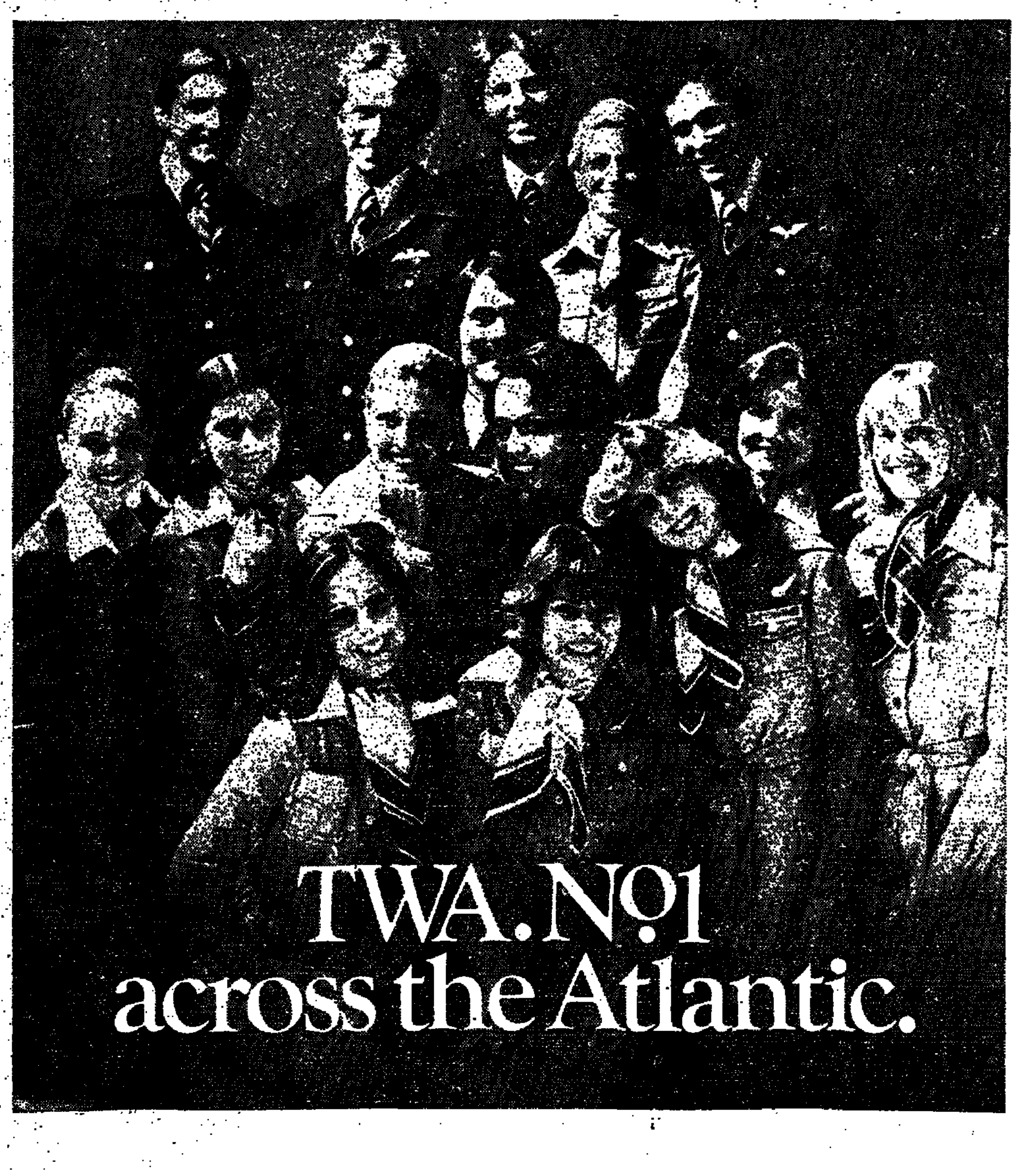
Andrée Picq, ground hostess, offers the unique ...on of TWA's exclusive New York terminal.

And pilots are certain that TWA's consistent on-performance is a much more important factor.

But it may just be that Charline, Kathryn, Lewis, ...ara, Shirley, Rick, Larry, Laura, Phyllis, Lynn, Ellyn, ...se, Art, Neal and Jane are right.

After all, they get to know you better than ...ne.

TWA



*By international agreement there's a nominal charge for in-flight entertainment. And for alcoholic beverages in economy class.

BAC chairman wants France to help build the MRCA

BY RUPERT CORNWELL

TOULOUSE, Feb. 3.

MR. ALLEN GREENWOOD, chairman of the British Aircraft Corporation, has implicitly invited France to join the Multi Role Combat Aircraft (MRCA) project under development by his company, with West Germany and Italy.

In a speech to a special aerospace congress here organised by the Western European Union, he argued forcefully for a co-ordinated policy by European Governments on arms procurement, which would help produce competitive aircraft without costly duplication.

He was also voicing the general view of chairmen and senior executives representing almost the entire European aerospace establishment present here: that Europe's fighter manufacturers should never again be in the same disarray that let the U.S. capture the four-nation Nato deal last summer with the FY-16.

The remarks of Mr. Greenwood also reflect the belief that Panavia, the consortium building the MRCA, could form the nucleus of a military aerospace industry in much the same way that the Airbus group is seen increasingly as the pivot of a remodelled European civil sector.

The theory as expounded here, is that France might buy the MRCA to fill part of the gap left by November's cancellation of the Advanced ACF project. In the longer term, France might join in work on the next generation of aircraft.

"The MRCA is the most efficient joint venture established in Europe," Mr. Greenwood said. "The scrapping of the ACF offers a great opportunity to co-ordinate programmes which have been out of phase. This should be seized eagerly."

The great unknown centres on the Dassault Group. Despite Paris's choice of the Mirage 2000 to fill part of the function of the ACF, the British industry in particular is extremely concerned that plans for a more powerful delta wing plane equipped with two M.53 engines on Dassault's drawing board should not go ahead. So far M. Marcel Dassault is proposing to back the project out of his own pocket.

This, the British argue, would only lead to competing European aircraft which would again open the doors for cheaper and more economical American fighters to seize the next generation markets here. The problems are obvious. M. Dassault still seems to have the ear of the French Government, and the Mirage family have proved by far the most successful fighters recently made in Europe. Moreover, for France to work more closely on procurement begs the key question of its relations with other Nato members.

In his summing up of proceedings, the Congress rapporteur, M. Robert Vergnaud, president of the domestic carrier Air Inter, spelt out its most tangible conclusions: The industry should concentrate on families of aircraft like the Airbus. Protectionism offered no way out of the industry's present troubles, and greater political co-operation was vital. Producers and airlines should work more closely together on viable projects rather than trying to cover the whole market.

Mr and Mrs Plynch at yesterday's Press conference.

Soviet scientist's ordeal

PARIS, Feb. 3.

SOVIET DISSIDENT mathematician Leonid Plyushch, still visibly weak from two and a half years in a Soviet mental hospital, to-day drew a harrowing picture of life for political detainees in the Soviet Union.

The 37-year-old Ukrainian described scenes in mental hospitals where "political patients," bullied by common criminals serving as male nurses, vied with lunatics for cigarette stubs lying among used toilet paper.

At a Press conference—his first public appearance since he reached the West a month ago—Plyushch accused Soviet doctors of aiding police in their interrogations, brutalising prisoners and ordering injections which induced insufferable pain.

Plyushch made clear he was still a committed Communist. He said it was the Soviet regime which was "sick . . . and a shameful taint on the bright ideals of socialism."

Jammed into a big hall to hear Plyushch, were numerous French Left-wing and human rights activists, including actor Yves Montand and American singer Joan Baez.

The Press conference which lasted close to three hours, was the first direct contact between Plyushch and the Western Press since his release from a Ukraine mental hospital early last month. Accompanied by his wife, he said his memory and physical reactions had not returned to normal since leaving the Soviet Union.

"The horror of the 'psikhuski' (the mad house) gripped me from the start. On the beds, patients were writhing from the drug haloperidol. One man's tongue was lolling out, another was rolling his eyes. A third walked around unnaturally bent over. Some lay and groaned with pain. They had been given injections of sulphur . . . they were being punished for bad behaviour," he said.

His own treatment by injections had made him drowsy and apathetic. Prisoners were taken to the toilet at set times and beaten if they asked to go out of hours. "Here . . . people search for cigarette stubs among the used toilet paper. Some of the patients also eat their excrement."

Reuter

Dutch Cabinet debate continues

BY MICHAEL VAN OS

AMSTERDAM, Feb. 3.

THE DUTCH CABINET again spent much of to-day discussing the thorny political problem of the revision of the law governing works' councils, the principal component of industrial democracy. Further talks were being held last night.

Sources in The Hague said to-day that despite party differences on the issue, Socialist and Christian Democratic Ministers seemed eager that the Coalition should survive.

One compromise being suggested was for companies to have both a staff council, in which management was not included, and a joint consultative body whose role would be defined by legislation.

However, there was no narrowing to-day in the differences between the Roman Catholic KVP party, the Socialists and trade unions.

West German deficit tops DM2bn. in 1975

BY ADRIAN DICKS

BONN, Feb. 3.

WEST GERMANY to-day published final balance of payments figures for 1975, showing a deficit of DM2.2bn., only slightly greater than the DM1.9bn. deficit registered in 1974.

At the same time, the Bundesbank put out monthly figures for December that showed a widening of the deficit on a month-to-month basis from DM600m. in November to DM1bn. In December 1974 the figure was DM372m.

The main changes in 1975 as a whole were, as had been widely expected, a severe reduction in the surpluses on the trade account and on the current account, and an altered structure in the capital account.

The trade account surplus fell from its 1974 level of DM50.8bn. to DM37.1bn., a result that causes no surprise, yet underlines once again the severe fall in export sales which German companies experienced last year. The current account surplus fell even more sharply, from the 1974 level of DM24.8bn. to DM9.4bn. last year.

On the capital side, there was a strong rise in long-term outflows to DM16.8bn. from DM6.2bn. in 1974, but short term movements turned round from a DM19bn. deficit in 1974 to a DM5.2bn. surplus in 1975.

The Bundesbank also announced that foreign currency holdings rose in value by DM3.2bn., largely as a result of the dollar's greater strength in 1975. The German Central Bank's gold holdings remained unchanged on the books at DM14bn.

Danish oil rig moves to German sector

BY HILARY BARNES

COPENHAGEN, Feb. 3.

THE DANISH underground oil and gas consortium has decided to halt exploration in the Danish sector of the North Sea for the time being and move its drilling rig to the German sector, according to A. P. Moeller, the Danish member of the consortium.

The decision coincides with the dispute between A. P. Moeller (APM) and the Government over the company's continued right to retain the concession for gas. An official report published in December concluded that the company could not retain the concession, on the grounds that it has not exploited the gas finds it has made. Mr. Erling Jensen, the Minister of Commerce, is currently trying to negotiate a solution to the dispute with the company. If he fails, the matter will have to go to arbitration.

APM warned earlier that if its concession was not confirmed it would have to consider halting exploration.

APM's concession in the German sector is in a small area which was formerly part of the Danish sector, but was given to Germany following a dispute over the drawing of the boundary

QUARTERLY TRADE GAP WIDENS

By Our Own Correspondent

COPENHAGEN, Feb. 3.

DENMARK'S trade gap widened to Kr.3.93bn. in the fourth quarter, the third largest quarterly deficit on record.

The deterioration followed autumn measures to bost demand including a five-month reduction in VAT from 15 to 9½ per cent. from October to February. Imports in November and December were 27 per cent. higher than in the same months in 1974.

The trade deficit for the year was cut from Kr.13.5bn. in 1974 to Kr.9.6bn. in 1975. Imports, down by 1.4 per cent., totalled Kr.59.6bn. while exports, up by 6.7 per cent., came to Kr.50bn. Exports of animal agricultural products rose 22 per cent. to Kr.9.25bn.

Procedure hitch on Cyprus talks

BY METIN MUNIR

ANKARA, Feb. 3.

THERE is a serious possibility that the scheduled resumption of the Cyprus peace talks in Vienna on February 17 may fall through because of differences of opinion on venue and procedure between the Turkish and Greek communities of the island, well informed sources said here to-day.

The peace talks collapsed last September after four fruitless sessions in which no progress towards reaching a political settlement was made. Last December the Foreign Ministers of Turkey and Greece agreed that the talks be reactivated under the auspicies of the United Nations with an open agenda to take up "all aspects" of the Cyprus question—that is territorial and population problems as well as the island's future constitutional status.

There are, however, considerable obstacles ahead, which, according to the sources, may impede the resumption.

Greek Cypriots want to go to Vienna for a session which continues until some tangible results are attained, they say.

Turkish Cypriot leader Rauf Denktash has other ideas. Mr. Denktash, the sources say, wants Vienna to serve as a ceremonial seat from where he and Greek Cypriot negotiator Glafcos Clerides return to Nicosia for talks in earnest. He has suggested the formation of two committees, one to tackle the constitutional issues and the other territorial and population problems.

● Our Nicosia correspondent writes: The Attorney-General of the republic Mr. Criton Tornaritis to-day directed the police to proceed with the prosecution of Mr. Nicos Sampson, the former Eoka gunman who was installed as President of Cyprus for eight days after the army-led coup forced President Makarios to flee the island in July, 1974.

French protest to Somalia after kidnap of 21 children

BY ROBERT MAUTHNER

PARIS, Feb. 3.

THE GROWING conflict over Djibouti, the French overseas territory situated strategically between Ethiopia and Somalia near the entrance to the Red Sea, was highlighted to-day by the kidnapping by separatists of a bus carrying 21 children of French military families.

The hijackers, belonging to an extremist group with close links with Somalia—the Front for the Liberation of the Somali Coast (FLCS)—raced to the frontier post of Loda, some eight miles south of Djibouti, and parked the bus in the no-man's land just beyond the border.

The French Government reacted quickly and sharply. M. Jean Sauvagnargues, the Foreign Minister, immediately called in the Somali Ambassador in Paris to inform him of the grave view which France took of the situation, all the more so since the headquarters of the FCLS is in Mogadishu, the capital of Somalia.

Contact was rapidly established by a representative of the French High Commissioner in Djibouti with the hijackers, but the negotiations for the liberation of the children promise to be extremely arduous. The Liberation Front has made a number of unacceptable political demands which include not only the total and unconditional independence of Djibouti, but also the cancellation of a planned referendum on independence in the territory and the release of all political prisoners.

The incident has placed the French Government, which has already accepted independence in principle, in an extremely delicate situation. Negotiations for the independence of the Territory of the Afars and Issas, which is Djibouti's official name, have been under way for the past months but they are being held with the moderate President of the local Assembly, Mr. Ali Aref Bourhan, who wants to retain close military and economic links with France.

A major problem is that Mr. Ali Aref is no longer completely in control of the situation, which is complicated by the fact that the territory's population is made up of two rival tribes, the 82,000-strong Afars and 62,000 Issas. An Afar himself, Mr. Aref has seen his authority increasingly challenged by the Issas, who are of Somali origin.

Italy fuel supply cut warning

By Anthony Robinson

ROME, Feb. 3.

THE ITALIAN oil industry association Unione Petrolifera to-day warned the Government that it would be forced to reduce its oil purchases from abroad unless the Government took immediate steps to compensate the industry for higher crude prices and the effect of the lira devaluation. The private sector of the industry alone was losing L3.6bn. daily, of which part was directly due to the depreciation of the lira, the Unione Petrolifera said to-day.

The prospect of a physical shortage of oil products and a further sharp rise in oil prices on the domestic market is the first clear indication of the kind of inflationary effect that the Lira float is expected to have on the domestic economy.

Meanwhile, the lira checked its progressive decline in interbank trading to-day to close at L766 to the dollar compared with opening rates around L7… and yesterday closing L7…

U.K. gets £3… from EEC Regional Fu…

Industrial projects in the U.K. and economic infrastructure improvements in Italy benefit to the tune of £9m. in the first allocation from the EEC Regional Development Fund. The aid is for 63 schemes with a total investment value of 169.62m. Units of Account (£70.7m.), writes Robin … in Brussels.

Out of the total EEC aid to the U.K. of some £3… £1.6m. goes towards a variety of industrial projects in Northern Ireland, and £0.6m. goes towards manufacturing projects in Scotland.

Greek payments

Restriction of imports and considerably better tourist … combined to reduce Greece's balance of payments deficit by almost 12 per cent. to … in 1975, writes our … correspondent. Imports increased by only 5.2 per cent. to $4.876bn. Exports rose … per cent. to $1.939bn.

The trade deficit of $… was largely covered by invisible receipts which were up 1… cent to $2.440bn. … exchange earnings from … totalled $622m. (an increase of 42 per cent. over 1974) … emigrants' remittances … $600m. (up 11.7 per cent.) … world recession had its repercussions on shipping, … from which was down … cent. to $763m.

Lisbon Communi…

Portugal's Communists held out an olive branch … Socialist rivals and called for a programme of common action … the two parties, which between them won 50 per cent. of the votes in last year's elections, Reuter reports.

The propaganda and information department of the Communist Party stressed in a statement the need for unity and co-operation but distinguished between the Socialist party's Right and … wings.

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Le calendrier des travaux.

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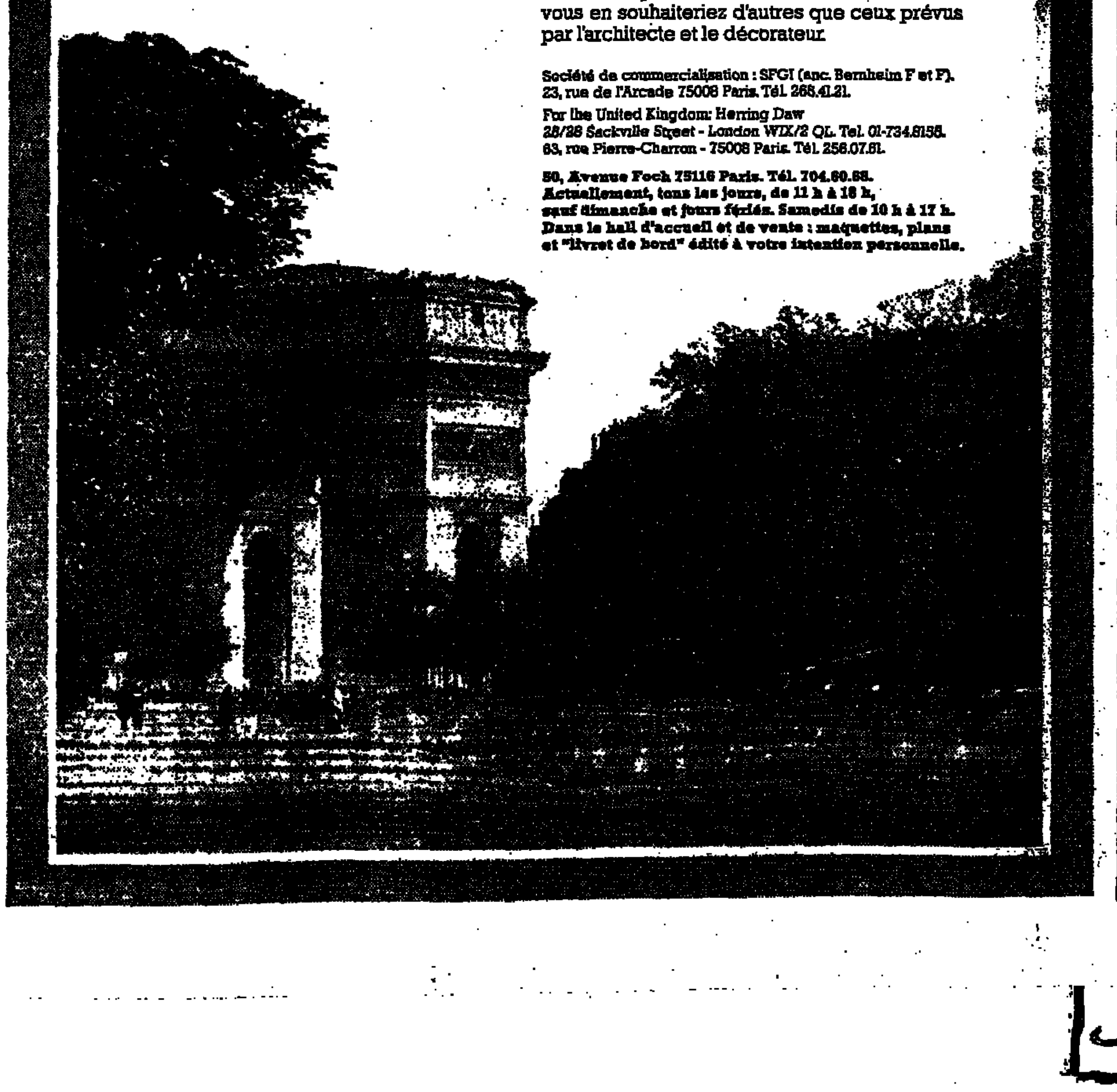

SOVIET INDUSTRIAL REFORM

The bureaucrats dig in

BY PHILIP HANSON

THE NEW Soviet Five Year Plan requires the reform of Soviet industry begun in 1973, to be completed by 1980. Few topics divide the Soviet establishment or offend vested interests as much as industrial reform. The slow progress made so far shows that. What are the prospects, and what will it achieve?

The Soviet leadership has been worried for at least a decade by a lack of technological dynamism and modest growth rates compared with the period up to the late 1950s. Agricultural failures have played a part but the industrial sector, too, is a source of disquiet. This is far from obvious from the official statistics, which show Soviet industrial output rising by more than 7 per cent. a year in the first half of the 1970s. However, quality problems and technological lags behind the West in a number of science-based industries are almost certainly the main reasons for reform.

These were problems that Mr. Kosygin's decentralisation of 1965 set out to solve. It was implemented in part only and yielded only modest results. The gist of the 1973 decree was that most of Soviet industry would be regrouped into "associations." Much of the detail and routine of planning would be passed down from ministries to self-financing "industrial associations." Lower down the hierarchy many enterprises would be grouped into "production associations," designed to be the basic management unit in industry.

What the Soviets have published about the discussion of these measures stresses four main aims. The first is to take some of the burden of detailed planning and administration from the industrial ministries and enable them to plan more efficiently for a smaller number of industrial or production associations. The second aim is to further technological innovation by bringing together R and D and production units. The third is to obtain economies of scale.

The most fundamental purpose of the reform is to make Soviet industry more businesslike and less bureaucratic. At present some 33 industrial ministries set detailed targets for and supervise over 48,000 enterprises. The task is not quite as Herculean as it sounds since Moscow delegates some planning to ministries in individual republics in the case of industries with many small enterprises. Still, it entails much petty interference by officials who do not suffer financially for their mistakes.

Under the 1973 decree some ministry officials and functions are to be transferred from the budget-financed civil service to self-financing units, with payment by results. It is to be done either by transforming the divisions of ministries dealing with industrial sub-branches (the glavki) into industrial associations, or by simply abolishing them altogether and having the production associations directly subordinate to a scaled down central ministry.

> 'The most fundamental purpose of the reform is to make Soviet industry more businesslike.'

The top leadership has endorsed the scheme, but there is quite a struggle going on below among officials either out for more power or afraid that they will lose what power they have. It is still impossible to tell how far the reform has actually got because a lot of what is said about it is blarney. But the main supporting and opposing factions can be identified to some extent. The serious advocates are to be found in Gosplan (the State Planning Committee) among regional party officials, management specialists and some top ministry officials.

Regional party advocates may be very highly-placed men, such as the first secretary of the Leningrad region, Mr. Grigorgi Romanov, who is a candidate-member of the Politburo; or provincial big shots like Mr. V. G. Klyuev of the textile region of Ivanovo. Both want to improve their region's economic performance. They probably also want powerful industrial groupings to be formed in their provincial empires and not too closely controlled by a ministry in Moscow.

The opponents are not so easily identified. According to the advocates of reform, they include some ministry officials, local party and government officials and enterprise managers who do not expect to be managing production associations once they are formed. There is another possible but unmentioned source of opposition—the people who run the 15 Union Republics, because the reforms aim to abolish certain Republic-level administrative units. The reform may also provoke some opposition on nationalist grounds, but this is far from certain.

Ministry officials have been cast as the leading villains. They do not want to surrender detailed planning and supervision powers over "their" enterprises to any associations. Many of them will be transferred, along with their powers, to industrial associations, but that is unlikely to be much consolation because they will have to move closer to the centre of production, away from their present homes. That is a fate worse than death for Muscovites or Kievans. It may also reduce their personal access to higher authority—a critical asset in the Soviet system. It is not surprising that in some cases sub-branch officials have got themselves moved into the central Ministry apparatus instead of going out into the sticks.

On the other hand some top ministry officials are conspicuous backers of reform, notably Mr. Konstantin Rudnev, the Minister for Instrument-making, Means of Automation and Control Systems. His industrial empire probably employs about 500,000 people, and it was chosen as the prototype for the new management structure. The ministry is entirely self-financing. Not even the central apparatus is carried by the state budget. It is not clear whether he himself is paid by results; probably he is not. Perhaps it would be incompatible with the dignity of a minister to be paid bonuses.

Opinion among enterprise managers appears to be … Mr. V. A. Trapeznikov, … of a management institute … the State Committee for Science and Technology, has written … ministry officials and enterprise managers trying to block … reorganisation. On the … hand some enterprise managers stand to gain from the reform, if only through a loosening of petty control by ministries.

So far, the results of these conflicting interests is that implementation has in some … been genuine, but in … phoney or postponed. The … or so production associations formed so far are smaller … they were meant to be, averaging around four enterprises and incorporating only about … every seven Soviet enterprises. These are early 1975 figures … should have risen appreciably by the end of last year.

More than half the enterprises that had entered production associations by mid-1974 had surrendered their legal identity and powers, though the advocates of the scheme say they … have done so. Many … production associations are … for routine production instead of prototype testing. As … previous reforms, the whole position is a tangle, with legislation redistributing … and powers before earlier … tion is revoked.

But the Western stereotype of neo-Stalinist Party bosses blocking all useful reforms because they threaten the basis of … control, is misleading. … reforms are ruled out for this reason, others are possible. In the present case, high … officials are promoting a … reorganisation against resistance from government or … The top leadership knows perfectly well that a tight … control has bred apathy … shrinking at middle management levels and below, and that … bad for efficiency and … change. When they try … something about it, they … meet strong resistance … precisely those officials … powers they want to redistribute more widely.

* * *

Dr. Hanson is Senior L… in the Centre for Russian … East European Studies, … sity of Birmingham.

مكتبة الاتحاد

هكذا من الأصل

HOME NEWS

Armstrong to expand Spanish factory

KENNETH GOODING, INDUSTRIAL CORRESPONDENT

TRONG EQUIPMENT is est U.K. motor component to announce a major in- nt in Continental Europe. -spend £940,000 to expand tially its Spanish business.

ufacturing capacity at the rong factory at Gijon will pled to cope with contracts e supply of strut suspen- units for 300,000 new a" mini cars to be intro- to Europe later this year d.

strong's Spanish plant will half the needs for Ford tion at Valencia in Spain lso 25 per cent. of the of Ford's West German Saarlouis.

Harry Hooper, chairman mstrong, said last night here could have been no n of supplying the h Ford plant with com- s from the U.K. because of the Spanish Government policy on imports.

At the same time, the 14 per cent. export incentive provided by the Spanish made Spain a very competitive supplier to the West German market.

Royalties

Armstrong engineers worked closely with Ford on the development of the Fiesta's suspension unit and, while Ford will continue to be supplied from two sources in Spain, the other supplier, ITT, will make suspension units of Armstrong's design under licence. The U.K. group will draw royalties from this arrangement.

Armstrong has been operating in Spain for more than 12 years through Armstrong Amortiguadores, which originally was mainly owned by two Spanish motor-component wholesalers.

Now the U.K. Armstrong has paid £240,000 cash for another 47 per cent. of the Spanish concern to take its stake to 90 per cent. The capital will be further increased by Armstrong injecting another £700,000 which will be used to expand the Gijon plant in Northern Spain.

Once that arrangement has been completed, U.K. Armstrong will own 96 per cent. of the Spanish subsidiary. The cash for the deal, which has Bank of England approval, will be borrowed in dollars from an American bank.

Mr. Hooper said last night that the projected expansion of the Spanish busines is expected to generate substantial profits and would provide a strong platform for further growth and investment in Spain which has a motor industry approaching that of the U.K.'s in size.

SKF to prune 625 jobs

KENNETH GOODING

625 jobs will go in a g-down operation by SKF the Swedish-owned, biggest bearings manu- r in Britain.

three SKF factories are d in the cost-saving oper- instituted by the new ng director, Mr. Carl-Otto rg, after a searching . They have all been money, with the Irvine in Scotland being the loss-maker.

Irvine, which employs bout 175 jobs will go, and er cuts will be of 450 t Luton and nearby

announced in December was to transfer manufac- facilities from the old Luton factory to Sundon, about two miles away, and estimated at that time that about 216 jobs would be affected.

In spite of the big rise in the proposed cut in jobs, the company still believes it can get by without any forced redundancies at any of the factories. The operation will be phased over the whole of 1976.

The forced redundancy point is important because SKF boasts that it has never made any employee redundant since it set up in the U.K. in the 1920s.

Last year, union support for SKF was a prime factor in its victory over Thorn in the bid for Sheffield Twist Drill, a £13m. major diversification and counter-cyclical move by the Swedish group.

Mr. Blomberg stated last night that, in order to improve the U.K. company's position and to secure its future and the future of its employees in increasingly competitive market conditions, costs had to be reduced and productivity increased.

Already, a sizeable number of employees from all three factories had requested early retirement or voluntary separation.

● The British Sealed Beams Company, jointly owned by GEC, Thorn and Lucas, is to close its Corby, Northants, factory which makes car headlamp units, in April because of the economic climate, it announced yesterday. More than 500 will become redundant as a result.

Engineers told to speak out

DAVID FISHLOCK, SCIENCE EDITOR

SSIONAL engineers speak out loudly on those of public issues in which re expert, a former chief c adviser to the Govern- rged last night.

quality of technical -making in Britain since econd World War had l through the failure of ment to engage more than on of the brainpower and e of the nation, alleged n Cottrell, master of ollege, Cambridge.

rde, although a great l feat, had been a misdirection of re- said Sir Alan, deliver- annual Graham Clark to the Council of ring Institutions in

jor casualties were those s and workmen who n half-a-lifetime's skills gies to a commercially project.

e voices of the whole ing industry been ud and clear, on aircraft t was possible that the industry would be in a nder position to-day.

ting the reluctance of fessional engineer to embroiled in public e instanced the 400 e had received as the Government's chief scientific adviser on its Green Paper on research in 1971. Although the issue was how to improve the usefulness of applied research, only 11 per cent. of the letters came from industry—"which is where most of the country's engineers are."

Sir Alan believed that, in technical decisions, there was a clear separation between government and governed, with little communication between them at policy-making level except through Parliament, which had "little understanding of or interest in technical matters." Few matters emptied the Commons more quickly than a debate on a scientific or engineering subject.

Inside knowledge

Scientists and engineers inside government had the facts, but normally were not allowed to discuss government policy in public. Those outside the government lacked the inside knowledge which could enable them to contribute effectively as experts to the discussion of public policies.

There was also a need for the engineer to speak out as an intelligent and sceptical citizen, Sir Alan said.

Outside his own speciality, the engineer's claims to be heard were no more than those of any other citizen—few things were "more distasteful than the use of ostensibly professional statements to deliver political messages." But in denying, by his reticence, his rights as an ordinary citizen to speak out, the engineer was going too far.

He should aim, by public sceptical criticism, to improve the quality of political thinking and public discussion.

Illustrating his point with a condemnation of the 1974 White Paper on the Regeneration of British Industry, Sir Alan accused the Government of producing a paper that should have been called Government Control of British Industry.

A third role the engineer should undertake was to help create a well-informed public. "The modern engineer, with his experience of the subtleties of complex engineering systems, may be in a better position to understand social systems than almost anyone else, except perhaps the historian or ecologist," he said.

The engineer should use his knowledge, experience and understanding to help develop a well-informed general public, able to appreciate and willing to vote for long-term policies in its own best interest.

Dough for export

BY LORNE BARLING

PILLSBURY, the American-owned manufacturer of refrigerated dough products, is to withdraw completely from the U.K. market to concentrate the production of its Yorkshire factory on exports.

The decision, which was made in spite of recent plans to relaunch its entire range of products, was based on the assumption that for economic reasons there will be no increase in U.K. demand for at least two years.

Mr. Denis Earl, the company's sales and marketing director, said yesterday: "We are selling well in France and Germany and because we can see no substantial growth in the U.K., we have decided to direct our promotional resources there."

He added that Pillsbury intended to re-enter the U.K. market when demand improved. The possibility of remaining in a small regional market had been rejected as unworkable, and some promotional loss was accepted as inevitable.

HALDANE MEMORIAL LECTURE

'Left denied serious newspaper coverage'

BY MICHAEL THOMPSON-NOEL

THE POLITICS and standpoints of the Left were denied serious newspaper coverage in Britain, Sir Denis Hamilton, chairman and Editor-in-chief of Times Newspapers, said in London last night. He was giving the Haldane Memorial Lecture at Birkbeck College.

In political terms, the ideas of the Tribune Group did not receive the sympathetic treatment which the ideas of the Monday Club did, said Sir Denis. The gap was not fully compensated for by the readiness with which some newspapers published occasional signed articles by representatives of the Left.

For newspaper readers the deprivation was not as severe as it seemed. Newspapers were bought and read as much for cricket scores, film reviews or job advertisements as for political content. "Still, the gap is there, and in an ideal world it ought not to be."

Sir Denis said that the climate for a politically-owned Left-wing newspaper had improved since the 1950s. "Blue-collar" workers had greater spending power: there was idle printing capacity in both London and Manchester; new technology could reduce newspaper composing costs to a third of their present level, and overheads could be further lowered by jettisoning some of the frills of journalism—"the Washington office, the daily crossword.

"Such a paper would not be competing for readers with any of the existing nationals, and its layout and tone should make that clear. It would be complying with the classic commercial maxim—find a gap in the market and fill it."

Newspaper ownership by a party or union was out of favour in Britain, said Sir Denis, although a second method of containing the vagaries of private ownership existed—ownership by trust or foundation.

However, a trust could neither foretell the future nor defy the laws of economics. "If there are not enough readers, no amount of trustees can make up for them: and enough, in newspaper terms, means a great many."

A third method of securing a radical Press, said Sir Denis, involved "full-blooded ownership" by the workers. The two most interesting moves in the direction of co-ownership since the war had been in Paris and Glasgow, at Le Monde and the Scottish Daily News.

The situation at Le Monde was not particularly radical. The system had been carefully constructed to deny total power to any one element in order that none should be able to pull the paper in an unfamiliar direction.

At the Scottish Daily News, which began as a workers' co-operative last May, there was policy-making participation by all the work force, "but there was hardly time to discover how this participation would work in practice before the paper ran up against an endemic difficulty, limited cash reserves."

There was also a philosophical difficulty: "Some of the language used in the Glasgow experiment showed that it is peculiarly easy, for newspaper workers who are also co-owners to forget the public dimension to a newspaper's life, and to look on the paper simply as a bread-and-butter commodity.

A fourth option, regularly canvassed, involved State ownership of newspapers. In many countries it had come already. France had begun to provide help towards the doubled price of newsprint. West Germany was launching a central Press fund to allow newspapers cheap credit, and most other West European Governments helped the Press with a combination of reduced rates of carriage, cheap telephone charges and tax concessions. "Even in Britain there is the remission of VAT and a minor postal concession."

However, a number of proposals existed for deeper State involvement. The TUC had suggested to the Royal Commission on the Press the setting-up of a National Press Finance Corporation to own and run presses. NATSOPA, the print union, had gone further, and NALGO, the local government union, had baldly asked for the public ownership of newspapers with all advertising revenue "tipped into a common pool."

The great difficulty with these proposals was that they obstructed one of the central functions of the Press, which was to keep an eye on Government on behalf of the citizen.

Norton factory saved

THE THREATENED Norton Villiers motor-cycle factory in Wolverhampton has been saved. The consortium headed by Mr. Ronald Titcombe, an Australian oilman, and including Lord Hesketh has raised the £4m. needed to buy the Marston Road factory.

A contract is being drawn up by the liquidator, Mr. Kenneth Morgan, and this will go to Mr. Titcombe's lawyers. Legal formalities need to be completed before production restarts and this is not expected until March at the earliest.

The 800 workers who have been occupying the plant will be told to-day, but they will also be told: "There will not be jobs for all of you."

Those taken on will make a modified Norton Commando cycle and industrial engines. After 18 months, the Wulf motor-cycle, a machine with a newly developed engine, will go into full production.

Mr. Titcombe confirmed that an offer has been put in for the plant, but has not revealed the source of the finance.

The new company will be known as the British Norton Partnership and the workers will be asked to appoint four directors from the workforce.

Mr. Titcombe said yesterday: "We have the money to buy the plant. I have no doubt at all that production will restart. It is only the time-scale which is in doubt at this stage."

The contract being drawn up by the lawyers of the liquidator is for the sale of the factory and machinery

Objectors disrupt Aire Valley road plan inquiry again

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE INQUIRY into controversial plans to route an 11-mile stretch of road through the Aire Valley in West Yorkshire was again disrupted yesterday by objectors to the proposals.

The hearing, which was adjourned in November after noisy protests and several arrests, has become the centre of attention for environmental and amenity groups throughout the country who have been challenging the legality of such inquiries as well as the specific arguments involved.

The first 40 minutes of yesterday's meeting, opened by Mr. Ernest Ridge, the inquiry inspector, were drowned by chanting, stamping and clapping.

Mr. John Tyme, a lecturer in environmental studies at Sheffield Polytechnic, who has appeared at other similar inquiries, said that he represented over 200 objectors to the Aire Valley proposals and called for an adjournment of the proceedings pending a review of procedure announced by Mr. John Silkin, Minister for Planning and Local Government.

Mr. Tyme was asked to leave by Mr. Ridge, but when stewards attempted to remove him from the inquiry hall they were met with angry reactions from the remainder of the audience. Mr. Tyme stayed but another objector was removed after a scuffle.

Three councillors stood outside the hall and claimed that they had been refused entry by stewards from the Department of the Environment. Mr. Norman Free, deputy Lord Mayor of Bradford, said that he intended to have questions asked in the Commons about the way in which the inquiry was being conducted.

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HOME NEWS

Off-peak flights from Gatwick to be cheaper

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PASSENGERS BETWEEN London and Glasgow, Edinburgh and Belfast after February 9 will be able to get a cheaper flight by using Gatwick in the off-peak periods—£21 single fare, against the £23 single that will apply in the peaks at Gatwick and at all times from Heathrow.

A decision in favour of this "Gatwick differential" has been taken by Mr. Peter Shore, Secretary for Trade, who has dismissed an appeal against it by British Airways.

The aim of the cheaper Gatwick fare is to encourage more passengers to use British Caledonia's services to Glasgow and Edinburgh from Gatwick in the off-peak periods, and those offered by British Midland between Gatwick and Belfast.

The decision was bitterly attacked yesterday by British Airways, whose no-reservations shuttle service between Heathrow and Glasgow carried nearly 600,000 passengers last year.

British Airways said that the principle of giving a cash discount to passengers using one airport in preference to another was unfair. It would do "grave damage to the already difficult economics of its own domestic network."

It would cause a drain of £3m. in revenues in a full year. "In our view it is a wrong decision that can only harm British Airways and is not in the long-term interests of the travelling public."

The off-peak periods in which the cheaper £21 single rate will apply from Gatwick will include the hours 0830-1630 on weekdays to both Glasgow and Edinburgh, and the hours between 1830 and 0800 on the Glasgow run and between 2030 and 0600 on the Edinburgh run.

At the week-ends, there is already a Gatwick winter Instant Purchase Excursion rate of £25 return anyway, while in summer this becomes a week-end excursion return rate of £31.

Dismissing British Airways' attack on the cheaper Gatwick off-peak fare, Mr. Shore says in the letter to the Civil Aviation Authority that it is open to British Airways to take advantage of the cheaper off-peak rate itself by mounting services from Gatwick in competition with British Caledonian.

He also dismisses British Airways' arguments about loss of traffic to British Caledonian. "Growth on the Shuttle service, especially if extended to Edinburgh, should enable British Airways to recover this traffic in a reasonably short space of time," he says.

"There is little evidence to support the claim that severe damage will be done to British Airways' chances of achieving profitability on the trunk routes."

Efficiency

Mr. Shore says that the differential fare may not last for long. The Civil Aviation Authority "will need to have particular regard to the airline's (British Caledonian's) efficiency in future when assessing whether to maintain the differential.

"The need for it may in any case disappear once a wider range of scheduled services is available from Gatwick."

It is believed in the airline industry that the decision on the Gatwick differential will now stimulate the airlines to seek dearer fares on the trunk routes anyway from April 1.

Already, the airlines, including British Airways and British Caledonian, have asked for increases averaging 10 per cent. on many smaller routes throughout the U.K., and they have been waiting for Mr. Shore's decision on the differential before submitting requests for fare rises on the main trunk routes.

Big order for Swan Hunter

By Our South Shields Correspondent

SWAN HUNTER Shiprepairers has won a big conversion contract which will keep 200 men busy for the next six months.

The 1,800-ton former West German factory trawler Tiko I has arrived at Wallsend Dry Docks to be turned into a diving support ship for Seaforth Maritime of Aberdeen. It will be renamed Seaforth Cape.

Swan Hunter would not comment yesterday, because the contract has still to be formally signed. But Seaforth Maritime said the job had been won on a competitive time-and-price tender.

The Seaforth Cape will be used for deep saturation diving in the North Sea oilfields. A diving bell lowered through the bottom of the hull will be able to operate to a depth of 1,000 feet.

Work gap

The conversion will help fill the work gap at Wallsend Dry Docks after the expected refit of the frigate Scarborough for Pakistan did not go ahead at the end of last year.

Swan Hunter has not yet classed the Scarborough contract as officially dead because it is still hoping for a late change of heart by the Pakistanis.

But for the moment, the frigate—which arrived at the yard in the middle of November—has been taken out of the work programme.

Meanwhile, the new Type 42 guided-missile destroyer Cardiff is now under tow from Vickers, Barrow, to the Tyne, where work will be finished by Swan Hunter at Hebburn Shipyard. She is expected towards the end of the week.

The Cardiff was launched last spring and Vickers has transferred the contract to Swan Hunter for completion because of labour shortages. It will mean two to three years' work for several hundred men.

Accounts that baffle even accountants...

BY OUR CARDIFF CORRESPONDENT

ACCOUNTS OF some local authorities are produced in such a way that even chartered accountants cannot understand them, it was claimed yesterday.

With such systems, there would be little hope of councillors having any control or understanding of the expenditure they approved, Mr. Z. Brierley, chairman of the Welsh region of the CBI, said in Cardiff.

Presenting the results of a survey of local authority spending, Mr. Brierley said "many of the excesses of local authorities may be because councillors don't understand the accounts.

"Some council officials are attempting to justify their existence by blinding people with science and a mass of meaningless reports."

In a submission to Mr. John Morris, Secretary of State for Wales, the CBI said advantage should be taken of the expertise available in industry by co-opting industrialists to specialised committees such as finance.

Mr. Brierley attacked the "secretive attitude" of councils which had refused to co-operate in the survey.

Fifteen authorities in South Wales were asked to provide details of their estimated expenditure, financial accounts for 1974/75, and te breakdown of the number of their employees.

Two district councils refused and seven authorities, including two county councils, never provided information.

"We were shocked at the lack of co-operation. The information we asked for should have been readily available.

Mr. Brierley accused council officials of "empire building" and the survey claimed that the output of council-employed direct labour was in some cases only 40 per cent. as efficient as private contractors.

Salaries in many cases were far higher than in equivalent private industry, and councils were contributing to inflation by increasing expenditure at a far higher rate than increases in income, the report warned.

"Industry is constantly being slammed for not investing; thus firms are continually being milked by Government and local authorities," Mr. Brierley added.

Nationalist support test in Scottish council polls

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

TWO REGIONAL council by-elections yesterday were being taken as a test of the resilience of Scottish Nationalist support, which in recent elections and opinion polls has surged forward dramatically.

The elections are for seats on Strathclyde Regional Council, with the SNP defending a 477 majority over Labour in the Calderwood-St. Leonards divisions of East Kilbride New Town; and in the Grampian region, where the Conservatives are defending a 437 majority over an Independent, with the SNP challenging for the first time.

The East Kilbridge result will be a highly significant one for Labour, which is fighting hard to counteract severe criticism from inside and outside the party about its recent proposals for a Scottish Assembly.

Faced with Nationalist attacks on its "timid" devolution proposals, and with the defection of two MPs and a number of activists to the breakaway Scottish Labour Party launched last month, Labour's managers have been seriously split about tactics for East Kilbride.

The Government and many MPs have been anxious for some time to demonstrate that the Nationalists can be wrestled into the ground. They have chosen East Kilbride for a show of strength. In the past three weeks the local government election there has been elevated almost to Parliamentary importance as three Ministers of State and four Under-Secretaries, plus a succession of MPs, have paraded for the Labour candidate.

Some Labour managers admit privately that they regard this as a serious eror of judgment. Although intervention of a Conservative candidate could upset the Nationalists, there is anxiety that in the present climate Labour has little hope of winning back a seat already fairly comfortably held by the SNP.

East Kilbride is also a particularly sensitive constituency for Labour. Its MP, Dr. Maurice Miller, has seen his majority reduced from 7,968 over the Conservatives in February, 1974, to 2,704 over the SNP in October, 1974.

Recent local government by-election results bear out the swing to the Nationalists. Since the founding elections for the regions in May, 1974, there have been seven by-elections—in Aberdeen, Grangemouth, Glasgow, Edinburgh, the Borders Bo'ness and Bishopbriggs. Of these the SNP has won four, latterly on some quite remarkable swings, and has increased its vote everywhere except in the Borders.

Breakaway issue

In the Grampian region by-election, on Sepyside, the Nationalists are running for the first time in a straight fight with the Conservatives. The SNP hopes to emulate its success in taking from the Tories the Parliamentary constituency of Moray and Nairn, in which the Speyside Division lies.

Mr. James McGrandle, the Scottish Secretary, issued instructions yesterday to constituencies and affiliated organisations on how to deal with members of the Scottish Labour Party, which now claims a membership of some 1,500, largely defectors from Labour.

He said that all SLP members had automatically excluded themselves from membership of the Labour Party. This included the two rebel MPs, Mr. James Robertson (Paisley) and Mr. James Sillars (South Ayrshire). Asked whether this should cause the two MPs to be excluded from the Labour Whip, thus removing the Government's Commons majority, Mr. McGrandle said: "That is a problem for the Chief Whip which the Parliamentary Labour Party will have to sort out."

£170,000 boost for wool

By Our Bradford Correspondent

A £170,000 promotion campaign to help improve the demand for wool in this country was announced yesterday. The campaign, launched by the British Wool Confederation, was described as an important step for the industry.

The majority of the industry's topmaking companies are in the scheme, and will finance it by paying a levy on each kilo of top combed. It will be administered and run by the International Wool Secretariat, and it is hoped that leading retailers might give some financial support in joint promotion schemes.

There will be an autumn advertising campaign featuring the woolmark, and it will concentrate on British made-to-measure suits, botany knitwear and hand knitting wool.

Conference

Mr. Peter Lees, chairman of the confederation, said at Bradford that, after the conference of the International Wool Textile Organisation last June, all national committees were asked to consider whether they could support and follow the example of the French topmakers in producing funds for wool promotion.

A series of discussions followed in the U.K., and from the beginning it was clear that, despite the very poor state of trade, most topmakers favoured a promotion scheme.

"It was felt that we should not just sit back and grumble about the state of trade, but should do something to help ourselves," said Mr. Lees.

Another good month for building societies

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING societies had another excellent month in January. Helped by a seasonal increase in investors' funds and the continuing fall in competitive interest rates, they are thought to have experienced one of their best months since early 1975.

Figures for January will not be confirmed until the end of next week, but with reports already in from the biggest societies, it looks as though the movement's combined total for net receipts during the first month of 1976 will be between £300m. and £350m.

The anticipated January outturn compares with a net receipts total of £231m. in December and £239m. in January last year. The all-time peak for net receipts was reached in April, 1975, when societies were left with £406m. of new money, followed by £317m. in May.

The recent volume of advances to home buyers is expected to have remained in the £450m.-£500m. bracket while approvals on loans worth a similar amount seem likely, although some seasonal reduction is possible.

Competition

According to the Building Societies Association, whose latest quarterly bulletin was published yesterday, there is little likelihood—in spite of the encouraging start to 1976—that the movement will be able to improve on the exceptionally high net intake recorded last year, when receipts rose by 80 per cent. over the previous annual record of 1972.

The movement now seems generally convinced that competition for savings will become increasingly difficult as the year progresses, and that its net inflow will suffer accordingly. This prospect is behind the societies' firm stance against any reduction in existing interest rates.

But in spite of the longer-term doubts, societies enter 1976 in such a strong position that the rate of actual advances and new commitments is likely to be maintained at recent levels at least through the first quarter of this year and hopefully beyond.

The movement has sufficient funds in liquid form to help maintain a very high lending programme throughout the year even if the receipts picture deteriorates. There are, in fact, outline plans to boost advances this year by anything up to 25 per cent., in spite of the widespread belief that receipts will be down on 1975. This target, however, will be variable depending on the societies' experiences as the year progresses.

Commenting on the state of the housing market in 1975, the Association says that low demand in relation to supply has been the principal reason why a high level of mortgage lending had been able to co-exist with a sharp reduction in real house prices. Prices last year are calculated to have risen on average by less than 1 per cent. a month or less than half the rate of increase of the retail price index.

The situation to-day, it adds, is in sharp contrast to the position in 1972 when house price inflation hit its peak.

To-day, however, the flow of people from council accommodation to the private sector has been stemmed by the holding down of rents, real incomes had declined and were expected to continue to do so and houses were not cheap in relation to earnings.

Arts chairman criticises moves towards 'bogus democracy'

BY MICHAEL THOMPSON-NOEL

ANY MOVE towards "bogus democratisation" of the Arts Council would produce a body of arts activists and arts politicians which would undermine and eventually destroy the achievements of the past 30 years, Lord Gibson, the council chairman, said yesterday.

The council was created as a buffer between the political system and the arts, he said.

It was by ensuring that its membership came from widely different sections of the community and the arts that elitism in the arts could be prevented.

Lord Gibson, who is chairman of the Financial Times, was speaking at Chelsea College, University of London. He said he was answering a recent claim that Arts Council members were the product of arbitrary Ministerial choice and that its advisory panels were also arbitrarily chosen.

A more democratic system had been urged. A pyramid of committees had been suggested, ranging from local district arts committees through a series of elections to a National Council of the Arts and Entertainment advising a Minister.

Lord Gibson said that he sympathised with those who wanted to question the Arts

Sympathised

Council and believed that it should always be ready to discuss, defend or modify its policies. It was right that Parliament should regularly review the council's performance when voting for a grant.

"But I do not think the council should be required to state its reasons for giving or withholding individual grants. It is not sensible for people who have to decide about an individual's, or a group of individuals', artistic merits, or their capacity to handle public funds effectively, to discuss them publicly.

"The need is to change at reasonably frequent intervals the individuals—namely the members of the council—who take these decisions and to refresh the council with new people and thus new ideas."

Council members are appointed for fixed, three-year terms.

Lord Gibson said that the idea of a pyramid of elected committees was based on confused thinking. There was no representative electorate and an incomplete one would produce a body of arts activists unlikely to provide the consistent support needed by the subsidised arts companies built up since the war.

An elected Arts Council would be a political Arts Council, he said. The present buffer system might have disadvantages but they were minimised by a broad representation of experience and outlook on the council and by a regular change of cast.

Lord Gibson said that Britain would gradually accept that much more should be spent on the arts, especially when the country had solved some of its economic and social problems, and that this would require adaptation of the present system.

This would best be achieved by a genuine transfer of responsibility in the regions to regionally constituted arts councils.

The present network of regional arts associations could be transformed into a network of regional councils acting as a buffer between local government and the arts. But their freedom from political influence or control would have to be guaranteed.

Lord Gibson said that the case for spending community money on the arts—as on education, medicine or defence—rested on the notion that people had a right of access to the arts.

"However the case for subsidising the arts may be argued, what is significant is that the development of the arts by means of public funds has made such strides since the war that the argument is now seldom conducted at all."

Fall in crime at Mersey docks

ONE OF the best cargo security records of any European port is claimed by the Mersey Docks and Harbour Company, following a reduction of 40 per cent. in dock crime in the last two years. This is announced this morning by the Board which set up its own security arrangements in 1974 when crime fell by 8 per cent. and last year by a further 35.5 per cent. with a reduction of 22.2 per cent. in the value of goods stolen.

Defence jobs out of London

The Ministry of Defence confirmed yesterday that it would go ahead with its 1974 plans to shift 5,000 jobs to Cardiff and 6,000 to Glasgow by 1984.

About half the workers involved will be from London; the rest from elsewhere, or recruited locally.

A site has been selected at St. Mellons, Cardiff. In Glasgow 4,500 will go to St. Enoch Station.

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INTERIM STATEMENT

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INTERIM REPORT

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	1975 £000's	1974 £000's
Group Rental and Retail Profits before charging Interest on Convertible Unsecured Loan Stock and Taxation	240	242
Interest on 7% Convertible Unsecured Loan Stock 1984/89	103	103
Group Profit before Taxation	137	139
Provisional Charge for Taxation (52%)	71	72
Group Profit after Tax	66	67
Net Minorities	20	17
	46	50
Preference Dividend has been paid (Net)	1.4	1.4

There were no profits from property dealing during the Half Year.

Heavy Interest Charges have once again been incurred but consistent with the present policy of the Group, certain investment properties have been sold with the object of reducing short-term indebtedness.

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LABOUR NEWS

Harland's dangers 'still to be overcome'—Orme

BY LORELIES OLSLAGER, LABOUR STAFF

PRODUCTIVITY at the Belfast shipyard of Harland and Wolff has improved dramatically since the Government told the workers in October that the yard's long-term future could not be guaranteed unless there were a better performance.

But at a meeting with both management and unions yesterday, Mr. Stan Orme, the Minister of State for Northern Ireland, dwelt heavily on the yard's precarious order book situation and said that even with increased productivity, the dangers were not overcome.

The Northern Ireland Office said later that Mr. Orme had asked the management to analyse the present prospects and "to confer with the unions as a preliminary to a further meeting of the joint consultative committee in the near future."

Harland and Wolff has sufficient orders to keep it in being until the end of 1978. The implication of Mr. Orme's remark is that he wants the management and unions to draw up contingency plans for redundancies in case no new orders materialise or if there is a danger of cancellations.

The labour force has already been reduced from about 10,000 to 8,000 over the last two years, and the company is trying to shed another 700 workers.

About 100 have volunteered for redundancy and the possibility of straightforward dismissals to meet the target figure cannot be excluded.

Mr. Orme said that there had been a "very significant improvement" in productivity and urged the workers to maintain the level.

Steel throughput had improved from 73 man-hours a tonne in July to just over 43 man-hours a tonne at the end of December.

Mr. Orme also urged the unions to arrange to fill the five seats allocated for workers-directors on the Harland and Wolff Board under the company's worker-participation scheme.

Shop stewards are believed to have had second thoughts recently about the advisability of worker-directors, and the unions have certainly been in no hurry to fill the posts. Mr. Orme had hoped for nominations before Christmas.

No one on the union side spoke against the idea of worker-directors at yesterday's meeting.

Nottinghamshire miners take moderate pay line

BY ROY ROGERS, LABOUR CORRESPONDENT

DELEGATES representing Nottinghamshire's 30,000 predominantly moderate miners yesterday refused to endorse a Left-wing call for miners to challenge the next stage of the Government's counter inflation policy by demanding pay rises of up to £33 a week in next year's annual negotiations.

But the delegates did take a hard line over a demand for early retirement for miners and will urge the National Union of Mineworkers' annual conference in July to test the members' feelings about taking industrial action if the retirement age is not lowered to 60 by next January.

The pay issue took up much of yesterday's Nottinghamshire miners' annual area conference —the first NUM area to consider what motions to put forward for the NUM conference—with arguments echoing last year's when NUM militants tried to tie the union to a demand for £100 a week for coal face workers.

Last year's annual conference finally decided to "seek" rather than demand the £100 which set the scene for a pit-head ballot in favour of abiding by the Government's £6-a-week pay limit. Talks on this £6 claim are still continuing.

Mr. Len Clarke, Nottingham area president, yesterday warned delegates against the £100-a-week demand when it was raised by the Gedlington and Newstead branches.

Moderate, Mr. Clarke, who played a major role in winning NUM support for the Government's pay policy last year, urged delegates not to embarrass the Government or isolate miners from the rest of the nation.

The £100 a week motion received 96 votes from the 370 delegates and becomes the areas's reserve motion for the national conference and could conceivably be promoted to an official motion if there is sufficient support among the Nottingham NUM branches which now have to review the motions put forward.

Other NUM areas will have their conference or executive meetings over the next few weeks when the union's militants are expected to try to rally support around the £100 demand.

Notts. delegates chose the retirement motion (232 votes), improved sick pay demands (213 votes) and higher pensions (213) as the three motions they are entitled to forward to the national conference.

Aerospace workers plan jobs rallies

BY PETER CARTWRIGHT

DEMONSTRATIONS involving 40 aerospace factories in the U.K., including Northern Ireland, have been arranged for Friday to protest against closures and loss of employment.

The Aerospace Shop Stewards' Liaison Committee, which has organised the protest, claims to represent about 100,000 workers, from hardware-designers to maintenance workers. It covers a range of companies from British Airways at Heathrow to Centrax Components in the West Country, and Westland Helicopters.

Employees of Rolls-Royce will head a number of rallies in various parts of the country. Rolls-Royce plans to close three plants at Dundonald, Northern Ireland: Blantyre, Scotland: and part of Barnoldswick, Yorks.: and reduce its labour force as a whole.

This particularly affects Derby, through the cut in production of the RB-211 engine. Among other centres involved are British Aircraft's factories in Bristol, and the Fairford base in Gloucestershire, which has been the flight-test centre for the Concorde.

The organisers of the demonstrations draw attention to Sir Kenneth Keith's demand for £100m. to finance further developments at Rolls-Royce (1971), of which he is chairman.

They are trying to influence opinion before the British Aerospace Corporation Bill completes its Committee Stage in the Commons.

- Some 40 Labour Left-wing MPs and a number of trade union leaders have agreed to sponsor an "Assembly on Unemployment" in London next month in protest against the Government's economic policies.

The assembly is organised by London District of the Confederation of Shipbuilding and Engineering Unions and by the London Co-op Political Committee.

- Mr. David Basnett, general secretary of the General and Municipal Workers' Union, third largest in the country, has told the Government that unemployment is the "crunch issue" it must face, and has called for more far-reaching reflationary steps than Ministers are contemplating. Mr. Basnett, writing in the uion's journal also called for an early Budget.

Plea for poor

UNION leaders representing gas and electricity workers want to discuss with the Child Poverty Action group a suggestion by the group that union members should refuse to cut off supplies to needy people in cold weather.

Dockers want rise halted while bonus talks go on

By Our Labour Staff

LEADERS of several thousand dockers in London's enclosed docks have asked employers to stop paying a £6 a week rise while further negotiations take place on re-arranging payment of an incentive bonus introduced last year.

The re-arrangement of the bonus system was part of the dockers' claim for the annual pay review, but Transport and General Workers' Union negotiators agreed to accept the £6 a week from January 1 while talks on the other issue were still going on.

Recently, however, the docker's shop stewards asked that the £6 should not be paid until the whole deal was completed, and the employers are preparing to comply with the request.

The unions want to change the bonus system so that it can be calculated on a gang basis instead of the performance of all the men involved in an operation.

Members of the smaller dock union, the National Amalgamated Stevedores and Dockers, are being asked whether they want to accept the £6 now or wait until bonus negotiations end.

AUEW merger moves to be decided soon

BY OUR LABOUR CORRESPONDENT

THE future of long-delayed moves to weld the four sections of the 1.4m.-member Amalgamated Union of Engineering Workers into one fully integrated union will be decided one way or the other at the May meeting of the dominant engineering section's policymaking national committee.

A motion from the engineering section's Right wing Birmingham number 16 division urges an end to merger talks with any section which does not fall into line with proposals designed to ensure that the engineering section maintains its dominance of the union and assist in the removal of Left wing officials appointed by other sections.

This hard line motion comes at a time when the other sections —technical and supervisory (TASS), foundry and constructional—have made it clear they are anxious to break the deadlocked merger situation and when Mr. John Baldwin, the recently elected general secretary of the construction section, has hinted that his members might be better suited by links with one of the building unions.

Crisis talks on the AUEW amalgamation dilemma have been called for later this week but is seems unlikely that any final decisions will be taken before the 52-man engineering national committee considers the issue again.

The Birmingham motion says that TASS officials, who are appointed for life, should face regular postal ballots—a move clearly designed to unseat Left-wing TASS officials including Mr. Ken Gill, the Communist general secretary.

It is also suggested that TASS and the foundry section should have only three seats each on an enlarged national committee with two seats going to the constructional section.

JUDGMENT ON 'THE FERRYBRIDGE SIX'

Rebels' dismissal 'was unfair'—but jobs are not restored

A LEEDS industrial tribunal yesterday published a 20,000-word judgment on the closed shop case of six Yorkshire power station workers appealing against unfair dismissal.

The unanimous judgment is that:

1—All six were unfairly dismissed.

2—No recommendation for reinstatement or re-engagement is made.

3—Compensation, if not agreed, is to be assessed by the tribunal at a further hearing on application.

The judgment says: "Parliament has provided for closed shop agreements and, however disappointing it may be to some, it is not our function either to criticise or to express approval of these provisions but merely to accept them.

"Such an agreement was in force here.

"But where such an agreement is in force, before an employee can be fairly dismissed for not complying with his obligation to become a member of a union designated in the agreement, it must be shown, not only that the agreement existed, but that the agreement operated; in other words that there was a practice for all employees to be members of a designated union.

Shop stewards

"In this instance the operation of the agreement was left to shop stewards who were neither accountable to anyone for the efficient performance of their functions nor liable to have their performance monitored.

"It has proved impossible for the Board to show that it is likely that the practice of universal membership of one of the designated unions exists.

"Such being the case the dismissals were unfair.

"Consequently, the question does not arise as to what would be reasonable grounds on the part of employees for not complying with the closed shop agreement and, as the question does not arise, it is unnecessary and undesirable for us to state what constitute such grounds."

On the "difficult" question of reinstatement, the tribunal explains that such recommendations are rarely made because former employees do not usually want their jobs back. But in this case they did.

There was a risk of industrial action if the men returned. But true justice should not be deflected by threats of breach of contract and disorder by other employees.

However, it continues, the applicants had succeeded on a point which was never raised by them prior to the hearing and to which they had not given any thought until the issues had to be considered by their legal advisers.

"They are quite entitled to our ruling in their favour on this point, although one thing that has struck us all is that they are not persons who are capable of exercising a great deal of reasoned judgment or acting with a sense of responsibility.

"If their conduct in the past is to be taken as a guide, they will interpret this decision merely as an outright victory for the ESU (Electricity Supply Union).

The judgment goes on: "As long ago as January 30, 1975, Disken and Co. in their letter had drawn their attention to the provision that an employee cannot be compelled to be a member of a particular union if he objects on any reasonable grounds to being a member of that union. They seem just to have ignored this qualification.

"Their sole attitude was that the ESU was the union for them and they were going to have no other; and only at the very last moment on September 26 did four of them decide that they were going to join the AUEW and even then they advanced no reasoned argument in support of this course of action. They are unyielding and irritant types of individuals......"

"If they were to remain in the employment of the Board on our present findings, they are entitled not to be members of one of the NJIC (National Joint Industrial Council) unions until the necessary practice is established for all employees to become members.

"Indeed, they would be entitled to start recruiting once more for the ESU to try and increase its numbers once again. Although this would be perfectly legitimate, would they know when to stop?

"In the first place their recruiting campaign, we feel, would be supported by misrepresentations as to the effect of this tribunal's ruling. If the Board were to have the co-operation of the unions and establish the necessary practice—although it is by no means certain that they will do so—will the applicants then realise that the time has arrived in which they should reconsider their position once more"

"We feel sure that they would continue a campaign for the ESU regardless of its merits and that there would have to be another set of dismissals followed by another set of proceedings of the nature of the present ones and the whole evidence gone through once more . . .

"Our final conclusion is unanimous that it is not practicable and in accordance with equity for the applicants to be reinstated and we make no recommendation to that effect."

The tribunal explained how the unions' and managements' "practice" of the closed shop was inadequate. Such checks as were carried out by shop stewards to see who the non-members were had been primarily against members of the Electricity Supply Union and not against non-members of recognised unions generally.

For instance, nine members of the Boilermakers' Amalgamation at Fiddlers' Ferry power station, near Warrington, had been allowed to continue membership—something that the Board and national union officials said could not happen.

In all, there could be 1,000 or more workers who should be members of one of the four recognised unions but were not.

This lack of "practice" and the resulting discrimination against some workers were the main basis for upholding the men's claim that they were unfairly dismissed.

Explaining why the tribunal was not prepared to discuss the point of principle—what constitutes "responsable grounds" for not joining a union—the judgment says:

"There is no guidance whatsoever from Parliament on what constitute such grounds and we all three strongly resent being given the task of deciding this question.

"It is contrary to the conventions of the constitution of this country, as I understand them, for a judicial body to have to decide such a question which carries political and controversial implications.

But the tribunal had "sifted" some of the grounds of objection—mainly about the ability of the bie unions adequately to represent power workers and about the appropriateness of one union rather than another. None was a reasonable ground, it concludes.

The three tribunal members had put their views on the matter in a sealed envelope, which was not to be opened unless by express permission of "certain high authorities" stated on the outside of the envelope.

'Parliament has provided for closed shop agreements. . . . It is not our function either to criticise or to express approval.'

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CBI SURVEY OF INDUSTRIAL TRENDS

Business more confident, although cuts continue

BY ADRIAN HAMILTON

THE REVIVAL of business confidence which became apparent last autumn has considerably strengthened in the past few months, according to the latest industrial trends survey published by the Confederation of British Industry yesterday.

But, the quarterly survey which was carried out last month says that the recession, as seen in low order books and surplus manufacturing capacity, actually deepened during the period.

Companies shed labour at an increasing rate and were still doing so. Almost eight out of ten companies were working below capacity and 35 per cent. expected output to be limited over the next four months because of a shortage of orders or sales. There were also worries about corporate liquidity and financial constraints to growth.

This contrast between present experience and future hopes, however tentative, forms a continuous refrain in the responses of companies to the survey, and causes the CBI to give constant warnings about the delicate nature of any future upturn in business activity, in spite of indications that the recession has bottomed out.

It also makes the Confederation even more determined that the upturn should not be upset by any early reflation at this stage, because it regards the tackling of inflation as the main constituent of any future economic revival.

The most optimistic factor in the survey is probably the rise in investment intentions.

About 10 per cent. of respondents, expect authorisations on plant and machinery to be higher in the next 12 months than in the last 12 months, against 12 per cent. of participants expecting capital expenditure authorisations to be lower.

This, says the survey, represents "the least unfavourable forecasts recorded for 21 months (buildings) and 27 months (plant and machinery)."

Counterbalance

While still expecting that a fall of about 8 per cent. in manufacturing investment will be experienced this year against last, the survey predicts that "by the third quarter capital spending (measured at constant prices) could be back to the year-before level, with a continuing improvement underway."

An improvement in investment intentions must be particularly welcome news to the Government, which has eagerly been awaiting such a sign to counterbalance the continuing shedding of labour of the last year.

Just under one in five companies said that they had profitable investment opportunities which would be constrained because of a shortage of internal finance—a point which the Government is again becoming particularly interested in its plans to induce accelerated capital investment through interest relief grants.

The survey also records a good deal of optimism among businesses about future orders and exports. It shows that 22 per cent. of respondents are more optimistic about the general business situation than four months ago, against 12 per cent less optimistic. It points particularly to the larger companies and the lighter end of industry as the main leaders.

In terms of new orders, 6 per cent. report an increase in the value of total new orders over the past four months, and 23 per cent. expect an increase in the next four months.

The intake of new orders in the last four months worsened in the capital goods sector, the survey warns, but elsewhere the situation has improved, particularly in the chemicals sector which traditionally leads any revival.

Increased output is reported by 36 per cent. and forecast 4[illegible] per cent. of participants—a more favourable trend than has been indicated at any time for a year.

Stocks

In line with previous surveys in the last few months, the latest CBI results also indicated that the period of very rapid destocking in manufacturing industry—the most noticeable feature of last year—may now be coming to an end, although the rundown has been confirmed over recent months.

Only a few companies expect to reduce stocks of raw materials and brought-in supplies over the next four months while, for the first time in a year, more respondents expect to increase than cut stocks of finished goods.

This is particularly true of the consumer goods sector and the broad industry group levels in vehicles and in paper and printing.

The results of the survey suggest that the worst of the recession has been experienced and that the revival, in terms of exports and investment in particular, may now be under way if inflation is brought under control and as an end of destocking and foreign orders promise a business recovery.

But the CBI in its comments on the results emphasises that there is still a long way to [illegible]

Employment fall

Of less comfort to the Government is the prediction, from the results of the survey, that manufacturing employment will fall just under 1 per cent. between last December and next April implying a "further reduction in manufacturing employment which would be very substantial by any standards but those of the last 12 months."

The survey also reports continued worries about inflation in costs, some signs of easing: a depressing majority of companies with less than four months orders in hand and concern about price competitiveness in the export fields.

The CBI as an organisation has yet to make its formal budget representations to the Chancellor, but the survey suggests there will be little change in its basic attitude that inflation remains the main priority of policy and that any conventional reflationary measures now would jeopardise the still tentative signs of economic recovery which exist.

Details of trends

TOTAL TRADE—2,009 respondents. All figures are percentages based on a weighted sample. Figures in parentheses show the response to the survey carried out last October.

	More	Same	Less
Are you more or less optimistic than you were four months ago about the general business situation in your industry	22 (12)	66 (58)	12 (30)

Do you expect to authorise more or less capital expenditure in the next 12 months than you authorised in the past 12 months on:	More	Same	Less	N/A
(a) Buildings	22 (13)	34 (32)	34 (44)	10 (11)
(b) Plant and machinery	38 (25)	24 (35)	28 (40)	1 (1)

	Yes	No	N/A
Is your present level of output below capacity (that is, are you working below a satisfactorily full rate of operation)	78 (73)	29 (25)	1 (2)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months: Up	Same	Down	N/A	Expected trend over next four months: Up	Same	Down	N/A
Numbers employed	10 (11)	39 (33)	51 (57)	— (—)	11 (6)	58 (55)	31 (39)	1 (—)
Value of total new orders	36 (25)	31 (32)	30 (39)	4 (4)	37 (25)	45 (49)	14 (22)	4 (5)
Value of output	52 (42)	32 (31)	16 (27)	— (1)	51 (44)	38 (38)	11 (16)	— (1)
Stocks of: (a) Raw materials and brought in supplies	19 (18)	43 (36)	37 (44)	2 (2)	16 (12)	63 (50)	19 (35)	2 (2)
(b) Finished goods	25 (20)	39 (39)	26 (32)	9 (9)	22 (19)	52 (47)	16 (24)	9 (10)
Average costs per unit of output	83 (85)	15 (12)	1 (1)	1 (1)	82 (81)	16 (16)	1 (2)	1 (1)
Average prices at which domestic orders are booked	59 (57)	37 (35)	3 (5)	2 (2)	65 (63)	29 (32)	3 (2)	2 (2)

What factors are likely to limit your output over the next four months:

Orders or sales	Skilled labour	Other labour	Plant capacity	Credit or finance	Materials or components	Other
85	9	1	7	5	8	4
(83)	(12)	(2)	(7)	(5)	(8)	(4)

EXPORT TRADE

Firms completing these questions have direct exports exceeding £10,000 per annum. Number of respondents 1,469.

	More	Same	Less
Are you more or less optimistic about your export prospects for the next 12 months than you were four months ago	32 (27)	56 (48)	13 (25)

Excluding seasonal variations, what has been the trend over the past four months, and what are the expected trends for the next four months, with regard to:

	Trend over past four months: Up	Same	Down	N/A	Expected trend over next four months: Up	Same	Down	N/A
Value of new orders received for exports	36 (30)	37 (32)	24 (35)	3 (4)	40 (31)	43 (49)	15 (17)	3 (4)
Value of export deliveries	47 (38)	36 (35)	16 (25)	1 (2)	51 (44)	38 (39)	11 (15)	1 (2)
Average prices at which export orders are booked	50 (56)	43 (31)	5 (9)	2 (4)	56 (58)	38 (34)	4 (5)	2 (3)

What factors are likely to limit your ability to obtain export orders over the next four months:

Prices (compared with overseas competitors)	Delivery dates	Credit or finance	Quota and import licence restrictions	Political or economic conditions abroad	Other
61	9	11	12	49	14
(63)	(16)	(9)	(14)	(52)	(7)

Keep trade marks, say housewives

SURVEY RESULTS publish[ed] to-day by the Confederation [of] British Industry show that [...] per cent. of housewives buy m[ost] of their packaged groceries [in] a self-service shop—74 per ce[nt] of them in supermarkets, 18 p[er] cent. in smaller shops.

The survey among 1,000 hou[se]wives was to find the value [to the] consumer of trade marks. Si[nce] the British Trade Mark Regis[try] started in 1876, more than 1[...] have been registered and 250,0[00] are still used.

The principal conclusion w[as] that public opinion is agai[nst] changing the present system—[...] per cent. of housewives we[re] against reducing the protecti[on] afforded to trade marks and [...] per cent. were in favour [of] change. The shopper now rel[ies] on trade marks in selecti[ng] goods, the survey adds.

Sacked women win £600

BY OUR NEWCASTLE CORRESPONDENT

AN INDUSTRIAL tribunal in Newcastle-upon-Tyne has awarded two women compensation totalling £600 after ruling that they were unfairly dismissed for trade union activities.

Mrs. Jacqueline Morris, a General and Municipal Workers' Union shop steward, and Mrs. Frances Bennett worked for Thomas Young and Sons, a North Shields shipbuilding subcontracting company.

The tribunal described the company chairman, Mr. John Thomas Young, as a man with "an early 19th-century employer's attitude to trade unionism."

It said that the factory was non-union until last June, and when the GMWU begun recruiting, Mr. Young interfered by opposing the workers' choice of Mrs. Morris as shop steward.

The tribunal dismissed the company's claim that the women were made redundant because of a shortage of orders, but said that Mr. Young's "resentment" against the union was "an understandable though not excusable reaction" to blacking of his company by 4,000 men.

Chemists' shops 'face crisis'

NEARLY 300 neighbourhood chemists are going out of business each year, a pharmacists' leader said yesterday.

Unless the slide is stopped, people will have to go further for their prescriptions and the advice that the corner chemist has always provided, warned Mr. Robert Worby, of Waltham Forest, London. He is a member of the pharmaceutical services negotiating committee which decides how much is paid to pharmacists from National Health Service funds.

Over the past six years, nearly 1,700 pharmacists have shut up shop, he said in London. With fewer than 11,000 left, community pharmaceutical services face a crisis.

Mr. Worby said that the eventual need was for more money from the NHS. In the meantime, pharmacists were launching a "propping-up" operation which could cost up to £1m. this year.

The major problem, he said, was that small chemists face higher costs than large ones.

Airports handl[e] peak load with fewer flights

By Michael Donne, Aerospace Correspondent

A RECORD 30m. passengers us[ed] the seven airports owned by t[he] British Airports Authority l[ast] year, although the number of a[ir]craft involved declined.

The overall increase in pa[s]senger traffic at Heathrow, G[at]wick, Stansted, Glasg[ow], Edinburgh, Prestwick a[nd] Aberdeen was 5.9 per cent., w[ith] Heathrow alone handling 21.3[m.] passengers, or 6 per cent. mo[re] than in 1974.

The number of aircraft mo[ve]ments, however, fell slightly [to] 428,200, with movements [at] Heathrow declining by 4.4 p[er] cent. to 254,100 — reflecting [the] growing use of the Jumbo a[nd] other bigger jets.

Cargo traffic at the BAA's [air]ports declined significantly, [by] 8.5 per cent. At Heathrow ca[rgo] volume fell by 13.4 per cent. [to] 405,000 tonnes, although Gatwi[ck] handled 37.8 per cent. more ca[rgo] at 75,300 tonnes.

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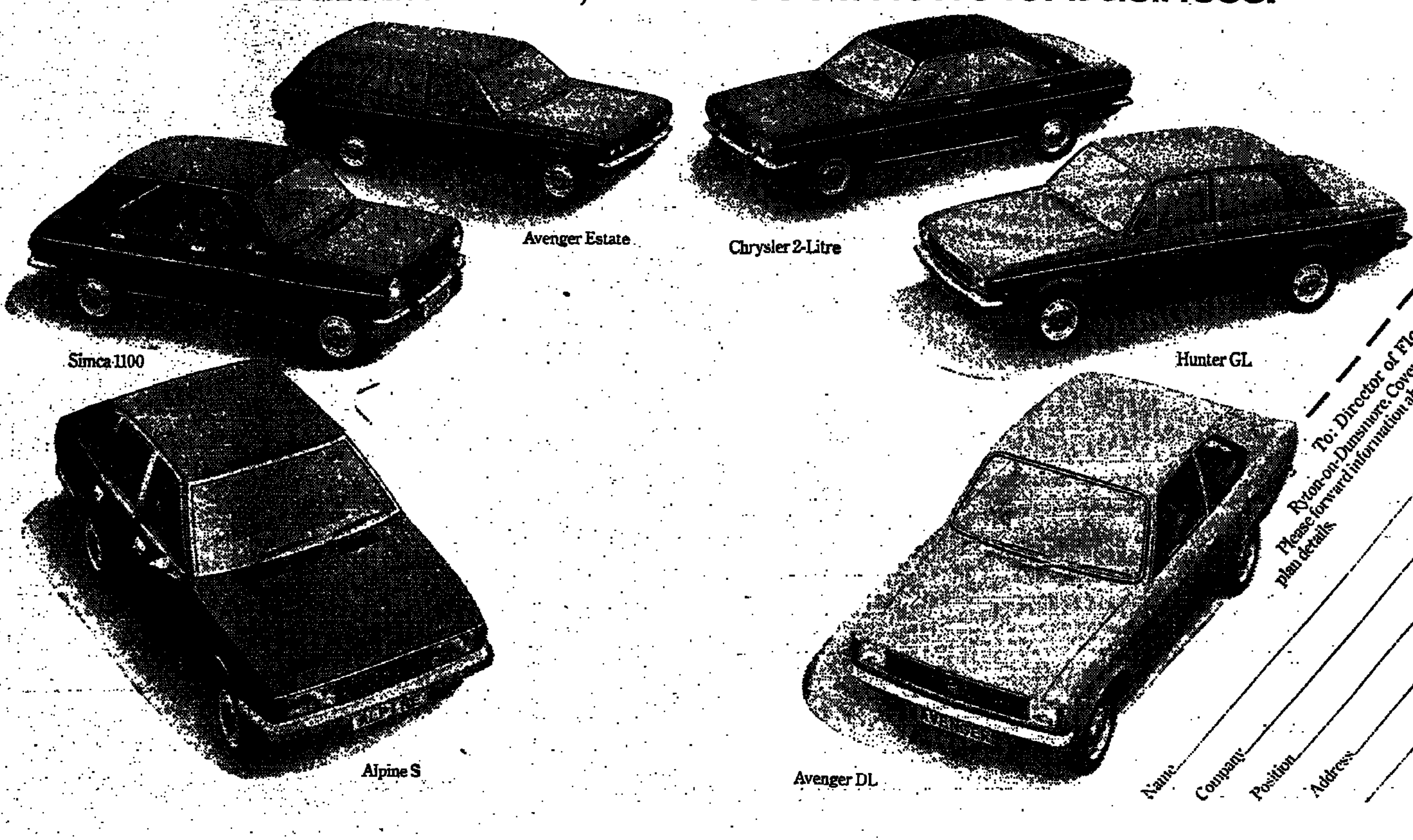

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DATA PROCESSING

Small machine wins French approval

CONFIRMING yesterday that the 2903 Model 20 is the "first in a series of new processor systems to be developed from the original 2903," ICL disclosed that in only one month's selling in France, the equipment had already made interesting inroads on that particularly competitive market.

Twelve orders worth £350,000 had been placed, the majority being competitive gains from Honeywell, Singer, Litton and Olivetti. Seeking the business in each case were IBM 32, Burroughs 700 and Nixdorf 8870.

Like the larger machine, Model 20 will be sold through the five direct and four satellite customer centres in Britain and the 30 centres overseas.

It will provide fresh impetus to the company whose 2903 has now passed the 1250 mark for orders with deliveries at the 1000 level. The introduction meets the company's experience since the launch of the 2903 that smaller entry level systems were appearing on the market, most if not all having communications capability aimed to a large extent at providing distributed processing for large organisations who are seeking to contain computing costs.

Naturally, the smaller version of the 2903 embodies the facility offered by the latter of direct data entry and file interrogation to be carried out with a minimal knowledge of computer techniques.

Central processor power is about 75 per cent. of the larger unit and even so, four VDU's can be supported.

Several applications programs are available and others are in process of preparation. Dataskil has produced a package called Applications Manager, again aimed at making the equipment easier to use.

Automatic culling of data

TILCON Construction Services claims to have established the first terminal network in the U.K., possibly in Europe, where an unattended computer will automatically dial-up each of 23 terminals located at remote offices, which are themselves unattended.

Based on a Univac 9480 computer at Harrogate, the network powers-up automatically at midnight, and then dials in turn each of the 18 offices at which Tilcon has installed Olivetti DE523 intelligent terminals for data preparation. The unattended DE523 switches on and then transmits the day's work to the computer, for processing.

The DE523's ability to validate data as it is keyed, has already produced a significant reduction in the input error rate, from 5 per cent. to under 0.9 per cent., and savings from more efficient staff utilisation have already almost covered the initial cost of the terminals.

Using the P.O. "midnight line" service, at a cost of about £220 for a whole year's data transmission, will produce further substantial savings.

British Olivetti, 30 Berkeley Square, London W1. (01-629 8807.)

Micros are on the move

FAIRCHILD Camera and Instrument Corporation has entered into a licence agreement with Olympia Werke AG involving patents, patent applications and know-how associated with Olympia's microprocessor system.

The agreement specifically includes Fairchild's F8 microprocessor and gives both Fairchild and any second source it designates a broad licence with respect to Olympia's microprocessor information.

Last month, a suit was brought in New York against Fairchild and Dr. David Chung by General Instrument Corporation, claiming Fairchild had acquired information about Olympia's microprocessor system from Dr. Chung, a former General Instrument employee. The complaint alleged this information was used in the F8 microprocessor.

Fairchild, which has denied the General Instrument allegations in court, said the Olympia/Fairchild agreement included a complete release for any possible use of Olympia's information in the F8 microprocessor or otherwise."

A second-source for its Signetics range of 2650 microprocessors is announced by Mullard. This follows an agreement between the Signetics Corporation and Advanced Memory Systems Inc. to source the Signetics 2650 eight-bit n-channel microprocessor and its interface elements, hardware and software.

Initially for three years and renewable, it allows users an alternative source on a worldwide basis, resulting from close co-operation involving, for example, the exchange of masks and test tapes.

As well as covering the 2650, the agreement also embraces the LSI interface and memory circuits being developed and planned enhancements; the many card and system products; support software and documentation; and customer and sales training courses.

Tester in a suitcase

INTERSHAKE is contained in a suitcase-sized container and consists of a microprocessor controlled system for the on-site testing of communication networks, modems, terminals and other data equipment.

Offered by Borer Data Systems the unit is able to look like a computer to a terminal or a terminal to a computer. It can monitor complete data systems on the V24 interface and can functionally test data links using different formats. Longitudinal redundancy check characters can be generated and monitored. Carrier drop out duration and the delays associated with satellite links can be simulated. Test results can be logged on a printer.

Intershake will operate in any of the common data formats and with binary synchronous communications or any other line protocol. Test routines are selected by switches and buttons and on-site changes are easily made. More from Longfield Road, Twyford, Berks (0734 340416).

Prints in either direction

ENTERING the low cost serial line printer market is Tally of Reading with its model 1120 which offers bi-directional printing at 120 characters/sec. over a 132 column width.

This needle printer is intended for use with minicomputers, data entry or batch processing systems and terminals. It has a wide selection of controllers for direct plug-compatible operation in most popular systems. Consistent high quality printing is claimed on one original and up to four carbon copies.

Character-by-character visibility is obtained automatically by moving the print head a fixed number of columns whenever there is a pause in the printing. The feed mechanism is sprocket-controlled above and below the line and is fully adjustable to take continuous fan-fold forms ranging from four to 15.4 (10 to 39 cms.) in width. Tally is at 7 Cremyll Road, Reading RG1 8NQ (0734 580141).

● RESEARCH

Microscopy aids to cost less

IMAGE analysis equipment called Optomax provides facilities for feature counts, area measurements and intercept counts from any image which can be received by a TV camera. This includes images from microscopes, photographs, transparencies, components, macro specimens, etc.

The method of building-up the equipment from basic building blocks allows for minimal initial spending to achieve a functioning unit with facilities for expansion to a comprehensive automatic machine as and when required. Modules which can be added to the basic layout include manual or automatic sizing, a light pen with an 80K store, extra stores, automatic stages and programmers, feature co-ordinate data units and store display systems, etc.

The builders claim that they can halve cost for equal performance.

Micro Measurements, London Road, Pampisford, Cambs. CB2 4EF. Cambridge (0223) 834420.

Hydrogen to save petrol

TESTING OF a hydrogen-petrol system with fuel-saving potential for aircraft piston engines is in progress at Avco Lycoming's Williamsport, Pa., facility under a contract from Caltech's Jet Propulsion Laboratory.

During the next eight months Avco Lycoming will bench test and evaluate a JPL-designed hydrogen generator prototype coupled to a 380-hp Lycoming T10-541E engine supplied by Beech Aircraft Corp., Wichita, Kas. The generator was developed under a hydrogen-enrichment for aircraft piston engines programme sponsored by the National Aeronautics and Space Administration.

The Avco Lycoming contract is for $140,000. A $40,000 contract was awarded earlier to Beech Aircraft.

It is expected that bench testing of the hydrogen-petrol system will be completed next summer. If the laboratory tests are positive, the engine will be fitted with an integral hydrogen generator and installed in a Beechcraft Duke B60 aircraft for flight testing later in 1976.

Results of a joint four-month study by JPL, Avco Lycoming and Beech have shown that the mixed-fuels system when installed in the twin-engine Duke may reduce fuel consumption 15 to 20 per cent. during cruise and over 30 per cent. while climbing to altitude.

The study is based on an extrapolation of experiments with car engines. The results verified a claim by Jack H. Rupe, JPL combustion group supervisor, that petrol consumption and pollutant emissions can be substantially reduced by hydrogen enrichment.

JPL, Caltech, NASA, Pasadena, Calif., U.S.

Services on testing extended

ALBURY Laboratories, Albury, Guildford, Surrey, has increased services to provide comprehensive microbiological facilities for both industrial and public undertakings.

Present work includes the non-mechanical testing of material used in contact with drinking water (on behalf of the National Water Council), and a wide range of microbiological investigations ranging from fungal contamination of lubricant and drying powders used in offset printing, to evaluating new water sterilisation units. The laboratories have also approached to devise a programme for the detection of weevil larvae in wheat sa...

With its existing ... laboratory, Albury is now in a unique position as far as ... age dispensing machines are concerned. It is believed ... the only U.K. organisation which can undertake com... electrical and microbiological testing to British Standards Institute, National Water C... standards and the requirements of the Automatic Vending ... ciation of Britain.

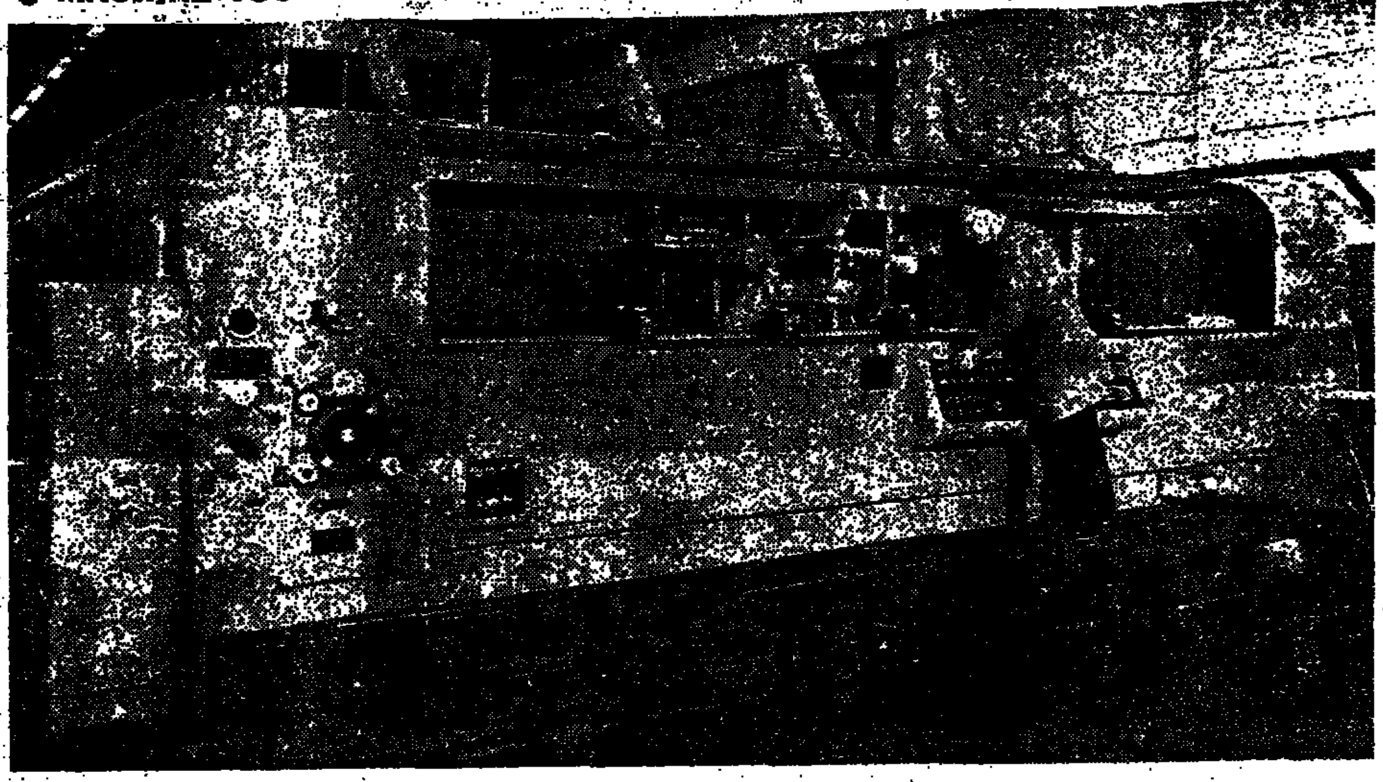
The Laboratories are at ... (048641) 2041.

IMI

IMI means more than metal

Imperial Metal Industries

● MACHINE TOOLS



A test engineer at Matrix Machine Tools, Coventry, ... final adjustments to a large ... grinding machine sold to W... Electric of Stuttgart, West Germany, by Matrix-Churchill International. Equipped with ... diamond-roll dresser it will allow the German organisation ... extend the range of sizes it ... offer in its series of precision ballscrews. Warner required ... machine of the highest ... and chose the U.K.-designed unit because it combined ... with ability to grind very ... units. Matrix 70 is the largest precision thread grinder ... by Matrix. Designed specially ... grinding right- or left-hand threads on long components ... is a five-metre model providing maximum length of thread ground at one setting of 4100 mm. Components as long as 11 metres can be produced to high tolerances by passing them through both ends of ... machine. Grinding is performed by taking the wheel head ... hydrostatic ways, parallel ... the component. The company ... at POB 39, Coventry CV4 ...

U.K. shears are still competitive

COMPETITION from East and West German shear manufacturers (particularly the former, when pricing may relate to the need for foreign exchange) is being successfully met by Lamberton and Co., Sunnyside Works, Coatbridge, ML5 2DL (0236 20101).

This company, which builds shears up to 1,600 tonnes capacity, says that where a discriminating buyer is in the market for fast and accurate cutting from a large shear, its product is able to beat the competition. It quotes as an example a 1,600 tonne shear which is about to be commissioned in the forge of the French truck maker Berliet in Lyons.

This can shear alloy steel billets up to 7 inches square at a rate of 720 billets/hr. The company also designed and built an automatic method of handling the cut billets — the sections may weigh up to 300 k.g. each. The equipment stacks and loads the billets on pallets for transport in the forge.

Lamberton has developed a "cutting - to - weight" feature which uses a small fixed programme computer to ensure that steel is cut to an exact weight or volume.

Fast laser production of dieboard

A COMPUTER programmed, numerically controlled, laser cutting system for the production of one piece cutting and creasing dies has been installed by Arden Dies, 9a Cross Lane, Marple, Cheshire (061-427 3092).

The system was developed by Dr. Walter Ullmer, of Laser-Kombinationssyteme, Dettingen, West Germany, which supplied the machine. It uses a Ferranti MF 400 carbon d'oxide laser. The computer is used to generate punched paper tape for the numerical controller.

For standard boxes and cartons, the company has a suite of programs which enables it to produce a dieboard with minimum delay—while "same day" delivery is not promised, it is possible. This also applies to a customer re-ordering a dieboard for which a tape has already been punched.

Where this system differs from other dieboard cutting equipment is the use of the computer and mathematical methods to generate the control tape, instead of basing the control on some form of optical or mechanical tracing. The computer calculates "step and repeat" and nesting patterns.

On the equipment the laser is traversed, rather than the work table, and is capable of covering a work area two metres square. Cutting speed is 60 feet/hour, and cuts are made in 18 mm. birch ply to take standard 2 or 3 point rules. Accuracy of the cut is stated to be within ±0.004 in.

As the laser is cutting ... a drafting unit will produce ... scribed film reproduction ... die pattern, for customers ... as artwork for further des...

In addition to the computer control, the machine will ... fitted with a line follow... optical scanner, with electr... masking, stated to be accurate ... 0.02 mm. for irregular s... such as fancy greeting cards ... outs, labels, jigsaw puzzle ... etc.

● TRANSPORT

Tyres meet most road conditions

DESIGNED as an all-purpose tyre—for asphalt, mud and snow—a new member of the Pirelli Cinturato family has been specified for a production line car of European origin which will be launched at the Geneva car show.

The P7 Supersport radial, used on cars Number 1, 2, 4 and 6 in the Monte Carlo rally, combines the broad, squat profile of racing tyres for asphalt sections with wide, deep grooves which criss-cross the tread.

These grooves collect and compress the snow against that under the tread and the cohesion of compressed snow with that on the ground is far higher and gives a far better level of grip than thought possible hitherto.

High strength construction and belt design allows the tyre to be studded with ice spikes, if required—using the Pirelli patented "Grip-O-Matic" system.

Pirelli, 3-4 Holborn Circus, London, EC1N 2QA. (01-353 5102).

● PRODUCTS

Fairchild shifts the emphasis

BURSTING with market predictions Fairchild has officially entered the U.K. digital watch market with two ranges and at the same time announced its intention of becoming a consumer product rather than a semiconductor company.

Electronic clocks will be following soon and in the summer electronic TV games are due to make their appearance.

For watches, Fairchild's particular predictions for 1980 include a 90m. unit $2½bn. digital world market, an average price in the U.K. of about £12, and a U.K. market for that year of 4.0m. units worth £48m.

Slimness is the ostensible keynote of the two new watch ranges—it is given as 3/7ths of an inch, actually 0.43 in. or about 11 mm. The less expensive range is called "Timeband" and contains six men's and seven ladies' single button five-function models with prices from £19.95 to £32.95. Distribution will be through "retail outlets now carrying mechanical watches in this range."

The "Fairchild" range has 19 models with more expensive cases but the same module ranging from £43.95 to £97.50. Distribution will be through fine jewellery stores only. Fairchild on 01-486 6244.

—CBM — calculator specialists—will be in the watch market before mid-summer.

Tension tester

THOUGHT TO be the only balance of its kind made in the U.K., a compression and tension tester has been introduced by Salter Abbey Weighing Machines, St. Botolph's Lane, Bury St. Edmunds, Suffolk 1P33 2AX (0284 61321).

Overall dimensions with attachments are 384 mm. by 17 mm. diameter. Attachments include a push rod and plastic button, a crochet hook, a right-angled hook, and a nylon loop (for accurate self-alignment). There is a slave indicator for easy reading and to provide a permanent record of the maximum load.

Capacities range from 2 lb in 1 oz divisions to 22 lbs in 4 ozs divisions—accuracy is said to be within half a division.

● SAFETY

Monitor for gamma rays

WARNING can be given locally or remotely of hazardous changes in gamma radiation in industrial installations, laboratories and hospitals using GA2 and GA3 monitor units announced by Nuclear Enterprises of Edinburgh.

Easy to install and operate, the units are of sufficiently low cost states the company, to allow them to be used in large numbers.

The GA2 has a fixed low-level alarm setting with upper alarm level that can be pre-set. The unit uses a Geiger-Muller detector and covers an exposure rate from 0.1 to 100 mR/hr. GA3 has two ranges and can measure down to 0.01 mR/hr; it has "low," "alarm" and "high" level trips set by internal potentiometers and the settings can be shown on the meter by depressing buttons.

Rugged, sealed and internally dessicated the units are suitable for outdoor use and can be mains or battery operated. Visible and audible alarms are provided and there are two sets of relay contacts for external alarms. More from the company sales office at Bath Road, Beenham, Reading RG7 5PR (073 521 2121).

● WELDING

Glass fibre fans cut costs

FUME extraction costs can be cut with a new extractor fan introduced into the Starcrest range of welding accessories marketed by the gas equipment business group of BOC.

Starcrest A1200 is a glass fibre reinforced unit which weighs only 1½ lbs (0.7 Kg), measures 7½ inches (190mm) long and costs one-third of the price of conventional electrically-operated fans.

Operating from any standard compressed air supply, an extraction rate of up to 1,200 cubic feet-minute can be achieved, and fumes may be dispersed up to 150 feet away by connecting hosing to the exhaust. The unit is safe and silent in operation, and needs no maintenance.

Gas Equipment (BOC), Angel Road, Edmonton, London N18 3AL. (01-803 1350.)

● ENERGY

Solar panel agreement

AGREEMENT has been reached between Lennox Industries and Honeywell for Lennox to manufacture solar collector panels developed by the two companies. Radiant solar heat collected by such panels is transferred to a storage system for use by conventional heating equipment in residential and commercial applications.

Lennox Industries introduced ranges of heat pumps in the U.K. two years ago which have created interest and are proving themselves in a variety of domestic and other applications. The agreement between Lennox and Honeywell seeks to accelerate use of solar energy.

A half-size solar collector prototype will be shown by Lennox at the HEVAC exhibition in April.

Lennox is at Lister Road, Basingstoke, Hants. (0256 611261).

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

Waste disposal can be a way of saving money if you take advantage of the unique service offered by the UK Waste Materials Exchange.

It is bad economics to pay for your waste to be dumped when someone else may be able to use it. Equally, it is bad economics to buy expensive raw materials when another firm's waste could provide a cheap alternative. The Waste Materials Exchange's quarterly bulletin lists materials available and wanted. Participants are put in touch with one another by the Exchange, whenever an entry stimulates a response. Participation in the Exchange is entirely free and the service is fully confidential.

The Exchange Bulletin has grown more than six-fold since its first issue a year ago. More and more firms realise that the Exchange provides a solution to the economic and environmental problems created by waste disposal. See how it can help you by telephoning Alan Poll at Stevenage (0438) 3388 or sending the coupon.

Return to: U.K. Waste Materials Exchange, P.O. Box 51, Stevenage, Hertfordshire SG1 2DT.

Name

Official Position

Company

Address

UK Waste Materials Exchange

FT2

Assistance is close at hand

Some of the Assisted Areas are a long, long way from the Home Counties and the Midlands. But Cwmbran is little more than two hours from London by M4, ninety minutes from Birmingham by M5/M50.

Cwmbran is one of Britain's most successful industrial developments—a thriving, well established New Town with 44,000 people, excellent housing, schools and shops, and every amenity for work and leisure. Modern factories and offices are available, and Cwmbran Development Corporation welcomes enquiries from industrialists planning to expand in a beautiful area within easy reach of London and the Midlands, with the assistance of Government grants.

Get the facts.
PLEASE WRITE OR PHONE FOR A NEW BROCHURE.

BUSINESS COMES TO LIFE IN CWMBRAN

Cwmbran
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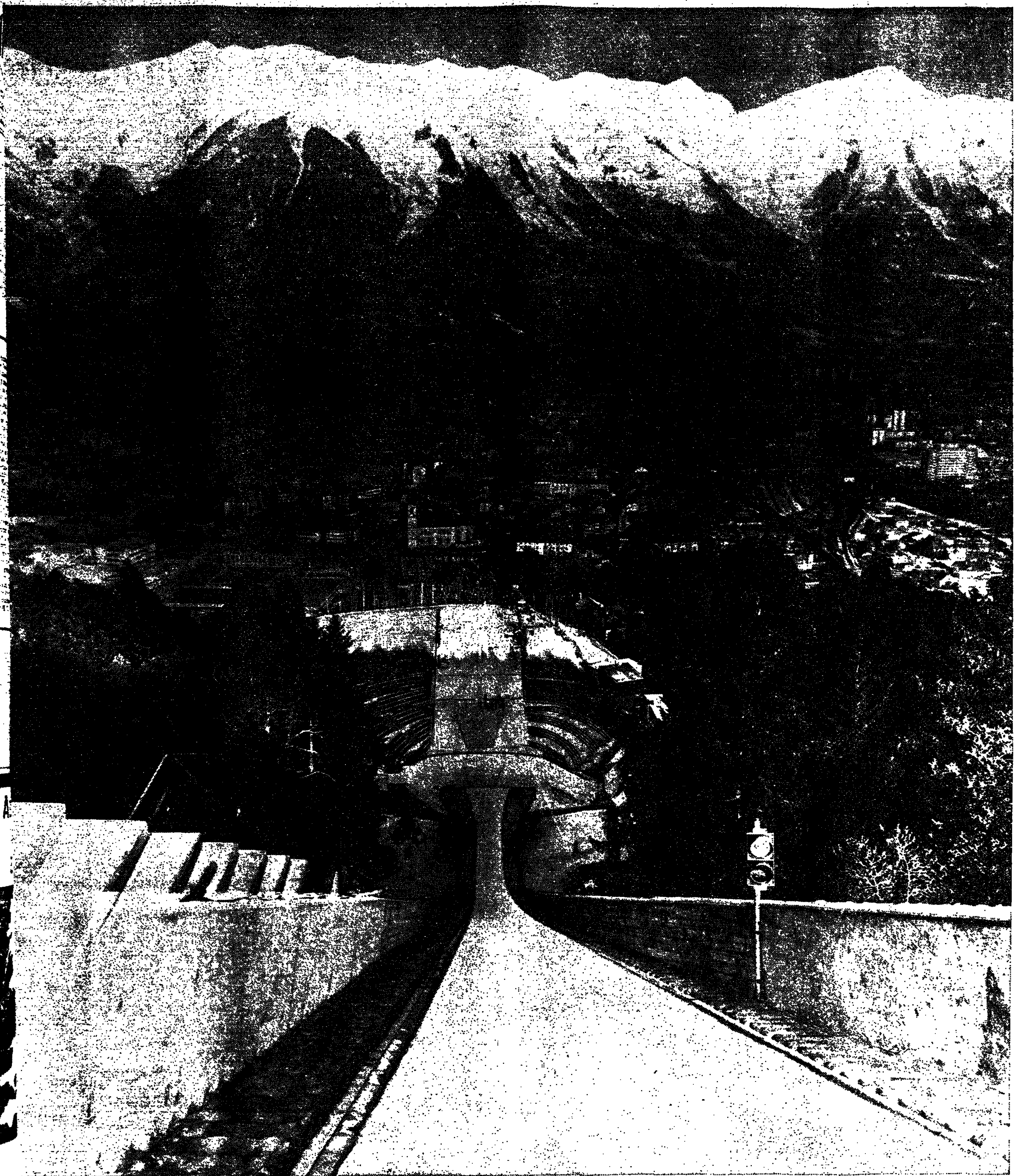
For full information about business opportunities in Cwmbran, please write to R. P. Menday, M.B.E., M.C., General Manager, Cwmbran Development Corporation, Gwent House, Town Centre, Cwmbran, Gwent NP44 ... Telephone: Cwmbran 67777

مكتبة الإمام

هكذا اصه الأصل



...is year, a car has been selected for the Winter Olympics.

Today sees a break with an Olympic tradition that's almost as old as we are.

(In 1896 when Karl Benz was selling the world's first production cars, Pierre de Coubertin was getting the modern Olympics going.)

Since the early days, the flame has been relayed by runners over the last stages of its journey from Mount Olympus.

When the Winter Olympics began in 1924, a similar approach was adopted.

But this year in Austria they carried the torch in a different way.

By Mercedes-Benz saloon.

Some purists may of course criticise the choice of a car. But none could really criticise the car that's been chosen.

Obviously, our utter reliability must have been a decisive factor. Along with our impressive performance (so useful if you need to put your skates on).

But there are other features that make a Mercedes particularly suitable for an Alpine event.

Independent suspension, precise steering and four-wheel disc brakes all ensure sure handling. No matter how tightly a road slaloms down a mountain-side.

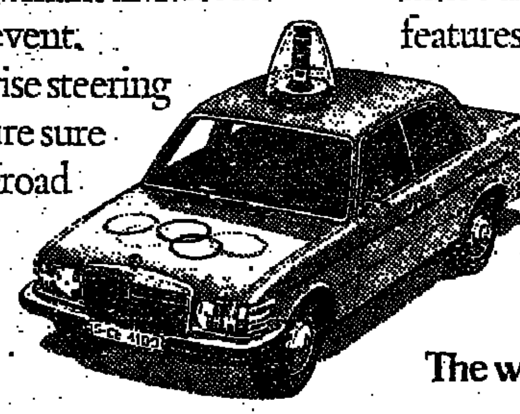
Bad visibility isn't likely to send any of our cars off course either.

The large glass area remains remarkably clear. As ingenious channels divert dirt from view.

And the powerful halogen headlights can be equipped with washers and wipers to brush aside slush and snow.

Inside and out, hundreds of standard Mercedes features helped to ensure this latest flame's arrival without incident.

In fact, we wonder why Pierre didn't ask us to participate years ago.



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Mercedes-Benz (United Kingdom) Ltd., Great West Road, Brentford, Middlesex TW8 9AH. Telephone: 01-560 2151.

For enquiries about export and diplomatic purchase please contact: Export Sales Division, Avenfield House, 127 Park Lane, London, W1Y 5AS. Tel: 01-629 5578.

PARLIAMENT

New Speaker installed

BY PHILIP RAWSTORNE

MR. SELWYN LLOYD yesterday retired as Speaker of the Commons with the past discordancies of his political career transposed into a rare note of affection and respect.

And, with traditional reluctance but unanimous consent, Mr. George Thomas, another Welshman and Labour MP for Cardiff West, became the 153rd occupant of the Chair.

"Politicians as a species have never been *too* popular but let us not denigrate ourselves too much," Mr. Lloyd told MPs.

Then, as the all-party tributes flowed from the packed House, he wittily debated whether he should set a last precedent by moving the closure himself. Few politicians secure such high regard — fewer still whose Ministerial careers have encompassed such controversies as Suez and the first pay pause.

But there was no doubt about the genuine emotion with which the Commons finally allowed Mr. Lloyd to leave after his 30 years at Westminster.

His wit, good humour and charm had lightened and enlivened the Commons, said Mr. Harold Wilson. His dedication and professionalism had made him its most devoted and faithful servant, said Mrs. Margaret Thatcher.

And, with Mr. Lloyd puckishly tapping the pencil that has brought many a long-winded speech to an abrupt end, Mr. Jeremy Thorpe praised his impartiality and fairness. "Those who believe in democracy have cause to salute you," he declared.

The Scottish and Welsh Nationalists did so — and Mr. Enoch Powell, without hyperbole, said he had brought new prestige and lustre to the 700-year-old office.

So Mr. Lloyd departed. And Mr. Thomas, Methodist lay preacher, son of miner and former Secretary for Wales, took his place. Mr. George Strauss and Sir Derek Walker-Smith warmly endorsed his capability.

And Mr. Thomas, with Mr. James Callaghan, Foreign Secretary, beside him in the seats they took together in the 1945 election, affably responded: "My Welshness makes me tolerant of your exaggeration."

Not since the squint-eyed Sir John Trevor in 1685 had an MP from a Welsh constituency been elected as Speaker, Mr. Thomas added. And that had caused some confusion.

"But if the House honours me with its trust, I shall do my utmost to fulfil that duty," he said. Speakers might come and go—"the Commons will always be the guardian of the people's rights and liberties," he said to a massive cheer.

Tories refuse to bury Maplin

By Justin Long, Parliamentary Correspondent

PLANS FOR a third London airport at Maplin could be revived by the next Tory Government. The door has certainly not been closed on such a possibility, Peers were told in the Lords last night by Baroness Young, *Opposition* environment spokesman.

It was a prospect which drew a warning even from her own party, when the Lords debated the official dissolution and winding-up of the Maplin Development Plan.

The ghost of Maplin should be laid to rest and the lesson of the doomed project learned, Tory Peer Lord Balfour of Inchrye contended.

On the Labour side, Lord Leatherland deplored any revival of uncertainty in the area which would be roused by suggestions that a future Government might renew the Maplin project.

But Baroness Young pointed out that when her party was in office, its policy on Maplin had been absolutely clear. "We must reserve our right to reconsider the matter when we *are returned to power," she said.*

For the Government, Baroness Stedman said that the project had been halted before any of the works authorised by the 1973 Maplin Act had been carried out. Consequently no claims for compensation under the Act could arise.

The Maplin Development Authority (Dissolution) Bill was given a second reading without a division.

Police Bill revolt

THE GOVERNMENT was defeated by 13 votes to four yesterday when there was a revolt of Labour backbenchers in the Commons Standing Committee on the Police Bill.

Opposition MPs joined Labour backbenchers supporting an amendment imposing a time limit *on investigations of complaints* against the police.

'God Almighty being my helper, I shall strive to serve . . .'

ACCEPTING his nomination as the new Speaker in the Commons yesterday, Mr. George Thomas declared: "This is a proud day for the Principality of Wales."

He reminded the House that only once before—in 1685—had a Welsh constituency MP been elected Speaker. That was when Sir John Trevor, Member for Denbigh, had been called to the Chair.

There was laughter as Mr. Thomas added: "The poor man *suffered a squint in both eyes* which led to considerable confusion since it was a time when Mr. Speaker pointed at the Member he intended to speak.

"Members in this House carry a high trust. To be selected by one's fellow citizens to exercise judgment on their behalf is both a privilege and a mighty responsibility.

"We live in a different world from that we knew when I first entered this place but the House of Commons adapts itself to the changing demands of the society we seek to serve."

Mr. Thomas added that the basic role of the House remained unaltered. "This House will always be the guardian of the people's rights and liberties. Britain is a Parliamentary democracy and anything that undermines the dignity and authority of this House is a threat to our democratic way of life.

"*Mr. Speaker is the guardian* of the rights and privileges of every Member seeking to discharge his duty. It is the responsibility of the occupant of the Chair to protect the minority rights without totally disregarding the majority rights. If the House honours me with its trust, I shall do my utmost to fulfil that duty."

"No-one in this chamber is more conscious than I of my limitations for the high office of Speaker. I therefore conclude by telling the House that if it decides to call me to the Chair, God Almighty being my helper, I shall strive to the utmost to serve the House with impartiality and without fear or favour."

MPs cheered as Mr. Thomas was "dragged" in traditional manner to the Chair.

He was congratulated by Mr. Harold Wilson, the Prime Minister, who recalled that on the last occasion when a new Speaker was chosen there were criticisms, not of the MP elected, but of the manner in which it was done, particularly the lack of consultation with MPs in all parts of the House.

"To-day, there can be no criticisms or reservations on either. You are the first occupant of the Chair to be elected under the new procedure adopted by the House after the report of the Select Committee on Procedure just four years ago."

In recent weeks, there had been the fullest consultation among backbenchers in all parts of the House.

Mr. Wilson said that only after *these consultations had be felt* it appropriate to reveal that the Cabinet, if asked to express a recommendation, would have given unanimous support for Mr. Thomas. This would equally have been the posture of the Opposition front bench, had it been asked.

"But the initiative in your selection came exclusively from the backbenches, expressed through party meetings and in other ways. "You enter on your task with the total goodwill and confidence of all of us."

He recalled that both he and Mr. Thomas were among the new MPs who first took their seats after the 1945 general election. The number of MPs who had sat continuously since then was *now* down to just over 20, including Mr. Selwyn Lloyd.

Mr. Wilson said: "All of us honour your deep humanity and knowledge of people." That humanity had been born in the Rhondda, and in the distinguished service of his church.

Never had the compassion of any MP been so tested as in the Aberfan tragedy, when Mr. Thomas had the task of comforting parents as each body was brought into the chapel. In the months that followed, Mr. Thomas had shown his determination to secure the removal of the *overhanging* and frightening tips.

Mrs. Margaret Thatcher, Opposition leader, said: "It has been said that without the support of the House, a Speaker can do nothing. With that suport, there *is* little he cannot do. We shall give you that support freely and gladly, confident that you will add another illustrious chapter to the history of the great office of Speaker."

Mr. Jeremy Thorpe, Liberal leader, told Mr. Thomas that his greatest triumphs were yet to come, and Mr. Donald Stewart for the Scottish National Party, said he was delighted to see a Celt occupying the Chair.

There were other tributes by Mr. James Molyneaux, the United Ulster Unionist leader, and Mr. Gwynfor Evans, of Plaid Cymru, who said he was pleased to see a Welshman as Speaker.

Tributes to Selwyn Lloyd

TO TRIBUTES from all sides, Mr. Selwyn Lloyd, said he was resigning because "primarily, I think five years is long enough to occupy this office with its many stresses and strains.

"Politicians as a species have never been too popular but let us not denigrate ourselves too much." The mass of MPs worked extremely hard and was an increasingly important link between the public and Government departments and Government bodies.

To laughter, Mr. Lloyd added that MPs did at least get an answer from Government Departments even if it was not always a satisfactory one. Ministers could be questioned in Parliament and be called to account. If the majority decided, it could turn the Government out.

Mr. Lloyd said he believed the Speaker should be an MP so that he could be aware of the personal fears and needs of the *people and know the problems* of the area he represented.

Work permits cut; employers urged to recruit from jobless

BY RICHARD EVANS, LOBBY CORRESPONDENT

A REDUCTION in the numbers of work permits for foreign workers this year, partly because of the high number of unemployed in the U.K., was announced in the Commons yesterday by Mr. John Fraser, Parliamentary Secretary, Department of Employment.

In the hotel and catering industry, Mr. Fraser said there would be a ceiling of 6,000 work *permits, compared with the* 8,500 last year which were virtually all taken up. This year's quota for domestic and hospital workers would be kept below 2,500 compared with a ceiling of 8,000 last year, of which just under 3,000 were issued.

The annual quotas for workers from Malta and for U.K. passport holders announced in February last year will remain unchanged.

In a written Commons reply, Mr. Fraser said he had told representative bodies in the hotel and catering industry that he hoped they would be able to limit their requirements for overseas labour to a figure well below the 6,000 ceiling. He had *also emphasised the importance* of employers taking the maximum advantage of the present employment situation to recruit and train labour from the resident labour force.

He would be prepared to see issued a "small number" of permits for unskilled seasonal work when alternative labour was not available, although, in the present situation, he thought it reasonable to expect the industry to recruit wherever possible from the unemployed, including students.

An application for a work permit for seasonal work would be considered only if the Employment Service Agency had held for the preceding three weeks a vacancy notified by the employer for the job concerned. The strict application of this rule should go a long way to ensure that a thorough search was made for suitable candidates.

As to the future, Mr. Fraser expected to see more rapid progress towards a position where permits were needed only for the more highly skilled jobs, or *where they were genuinely necessary* because of the international nature of part of the industry.

● The TUC said it was disappointed that the quota system for immigrant workers in the hotel and catering industry was to continue. But the *decision* to reduce the number of permits by 2,500 to 6,000 was "noted with pleasure."

Because of the high level of unemployment in Britain, the TUC's hotel and catering industry committee has been pressing for the abolition of the quota system in the industry.

Anti-EEC voices heard again

BY JOHN HUNT

THE Safeguard Britain Campaign, a *body* which brings together the organisations which opposed the Common Market during the referendum campaign, was launched at Westminster yesterday with the claim that the British people will *inevitably have second thoughts* about membership of the Community.

The chairman of the campaign is Mr. Bryan Gould, Labour MP for Southampton Test, and its vice-chairman, Mr. Michael Clark Hutchison, Conservative MP for Edinburgh South. Also on the steering committee are such veteran anti-Marketeers as Mr. Douglas Jay (Lab. Battersea N.), Mr. Neil Marten (C. Banbury) and Mr. Enoch Powell (UUUC Down S.).

The organisation is particularly opposed to further moves towards federalism or political union between member countries. According to Mr. Gould, this is a matter on which the public should be consulted in a second referendum.

A *statement launching* the campaign yesterday argued that the Tindemans report showed the sort of centralised and authoritarian Europe which is planned for the U.K. unless the people make their voices heard.

BAGGERIDGE BRICK COMPANY LIMITED

The Thirty-second Annual General Meeting of Baggeridge Brick Company Limited was held on 3rd February at the Midland Hotel, Birmingham. The following is the statement by the Chairman, The Hon. P. A. Ward, circulated with the Report and Accounts.

PROFIT AND DIVIDEND

The profit before tax for the year ended 30th September, 1975 totalled £230,102 compared with £320,489 last year, and profits after tax amounted to £107,733 compared with £160,540.

The Directors recommend a divided of 7.6013%. Last year the dividend was 7.1229%.

RESULTS FOR THE YEAR

The Company *has experienced a difficult year. Competition for* available trade continues to be intense. This, together with ever increasing production costs, and in particular the continuing rise in the price of butane, has inevitably reduced profit margins. In my last year's Statement I expressed the hope that there might be a recovery in profits in the second half of the year and, this, I am pleased to say, has been achieved. During the summer and autumn *there was an improvement in trading which enabled our stocks of* bricks to be very substantially reduced.

GOOD DEMAND FOR BRICKS CONTINUES

All indications are that trading conditions will continue to be extremely difficult in 1976 but it is not expected that there will be any further deterioration in profits. Our three works produce high *class blue and red engineering bricks as well as an attractive range* of facing bricks, for all of which there is at present a good demand. The kiln developments during the past year will also benefit the Company's results. The condition of the Baggeridge kilns has been greatly improved by work carried out last year, and £25,000 has been charged in respect of this against the provision for deferred repairs. At Hartlebury the building of another new kiln is being completed.

As will be seen from the *Directors' Report, Mr. C. H. S. Johnson* will be retiring as a Director after 40 years association with the Company. I would like to express on behalf of my colleagues and shareholders our sincere appreciation for his contribution towards the Company's development and growth.

The shareholders I am sure, would wish me to express special thanks to all employed in the Company for the extremely hard work they have done in the past year.

The Report and Accounts were adopted.

THE LEBANESE ECONOMY AFTER THE CRISIS

Security in question

BY ROBERT GRAHAM, IN BEIRUT

AT THAT CURIOUS counter in the Beirut immigation office designated "artistes, musiciens, barmaids," a group of women the other day were applying, not to stay now that calm has returned to Lebanon, but to get their papers in order to leave. At the other end of the scale, queues are forming at the U.S. consulate and Saudi Embassy of qualified personnel seeking visas. This outflow of people from two totally different sectors of Lebanon's economy reflects the continuing lack of confidence in the situation.

It requires a confirmed optimist, and there are few of those around, to see Lebanon getting back into business in the near future. The last round of fighting has dealt a further cruel body blow to the economy not only in damage to property, loss of life and destruction of productive capacity, but also to confidence, that vital element in a *laissez faire* service economy.

Global estimates of damage are pretty meaningless at the moment. It is more relevant to try and assess the nature of the damage. Key *industries, such* as cement, have survived intact. The two refineries—at Tripoli and Sidon—and the electricity supply system, are more or less undamaged. So are Beirut port installations, telecommunications, *and the airport.* But manufacturing capacity has taken a heavy toll. At least 30 of the country's major industrial plants, including six furniture factories, four textile plants, and three plastics factories, have *been looted and destroyed.*

All manufacturing plants are short of liquid funds since, where possible, between 30 to 50 per cent. of wages have been paid to retain skilled workers. But according to Mr. Georges Asseily, President of the Industrialists Association, some $200m. is needed in long-term loans to get industry back on its feet. Meanwhile, the Syrians, an important portion of the unskilled labour force, have left the country.

One of the industrialists' main fears is a brain drain to Europe and America. Why should skilled people risk their lives when they can get jobs elsewhere, Mr. Asseily asks. The thin newspapers are full of advertisements for skilled jobs in the Gulf, and this, too, will syphon off manpower.

Little mention has been made so far of agriculture but the last round of fighting seriously disrupted the agricultural potential of the Bekaa Valley region. A number of the big farms, including the model farm of the American University of Beirut, have had buildings damaged and artesian wells blown up. Many farmers, *of course,* fled from their land. There is no real food *shortage* since the lost agricultural production is compensated for by a total absence of *food* exports, previously an important item in Lebanese trade.

The capital's largest and best-known hotels have been looted and gutted. Even though many smaller hotels are undamaged the cumulative effect of unrest and civil war will take a long time to erase. Property as a whole has been *seriously* hit, especially by the destruction of the commercial centre of Beirut.

No bank *with an* office in the centre of Bab Idris—the Beirut commercial quarter — has escaped unscathed. Seven have been looted and badly damaged,

> 'It requires a confirmed optimist to see Lebanon getting back into business in the near future.'

their strong boxes *taken*—including the British Bank of the Middle East and the Alge*meene* Bank. However, in most cases records have been preserved so that banking activity can resume.

There are *93 banks, of which* 31 are purely Lebanese, plus a further 37 representative offices. A *sizeable* number are weak Lebanese banks which have used too high a proportion of clients' deposits in speculative dealing and had much money *tied up in* property, which is now a depressed or even unrealisable asset. Bankers expect a rush to withdraw deposits once the banks open, and in particular a rush to withdraw deposits from weaker banks to stronger ones. Thus perhaps as many as 20 banks are faced with collapse *unless aided* by the Central Bank.

That is going to require considerable administrative skill. The Central Bank itself has strong reserves, including some $400m. in gold and over $1bn. in *foreign* exchange. Though contrary to Central Bank instructions, the commercial banks have only the past year built up very strong *dollar* positions. The fall in the Lebanese pound against the dollar from £L2.25 to £L2.70 over 1975, means that foreign exchange gains will help very considerably to offset bad debts. Some banks reckon that up to 75 per cent. of outstanding debt will be written off.

Almost certainly some of the foreign banks which bought into Beirut banks during the "petro-dollar euphoria" will extricate *themselves or wind down their* operations, accentuating the divide between those who ... in Lebanon and those who ... regarded Beirut as a foothold ... the Middle East.

The commercial banks ... pected to open their doors to ... public on Monday. Some ... *like the Arab* Bank ... Beirut, the Moslem-con... west, and the Banque Liba... pour le Commerce on the ... side of the "green line" ... been open all the time. Ch... can be cashed, but most ... are taking small quantit... money and carrying ... mainder in the form of a ... cheque on the Central ... Money changers are very ... and there is no liquidity ...

The road to normality ... going to be easy. Some feel ... the banking sector is the ... to get on its feet and shou... ceive priority. Others ma... that with the need to crea... ployment, attention shoul... focused on industry whe... bigger role should be giv... the public sector. Much de... upon the willingness and ... tions attached to ... Arab aid.

Lebanese ingenuity and ... city for survival are illu... now by the rows of street ... who have mushroomed al... the safer parts of town, ... shop fronts already repai... by the bribes being pa... ensure that buildings are ... tected. But there are ... problems to cope with ... growing sense of parti... leaving the commercial ... of Bab Idris like a No ... Land, and businessmen are ... *dering* whether to operate ... the Christian strongho... Jounieh or the Moslem ... or both. In short, it ... down to a question of se...

Industrialists are con... that the damage done to ... *plant was wilful.* "A deli... gesture to try to brea... capitalist economy in Leb..." said one industrialist, wh... not wish to be named ... justice will have to be ... into account by the Gover... *and the employers as pa...* settlement of the civil ... of course. But equally, ... security has to be provid... for people coming to wo... their workplaces.

Lebanan's economic ... ment is *poignantly* summ... by a cryptic advertisement ... newspaper. It was plac... the British Bank of the ... East and requested all thos... lost valuables from its ... boxes to address themselv... the "*appropriate* author..." The Lebanese economy ca... through and people will ... but only if and when there ... identifiable authority to ... security. Otherwise forei... Arab money will continue ... *elsewhere, despite* the ... venience.

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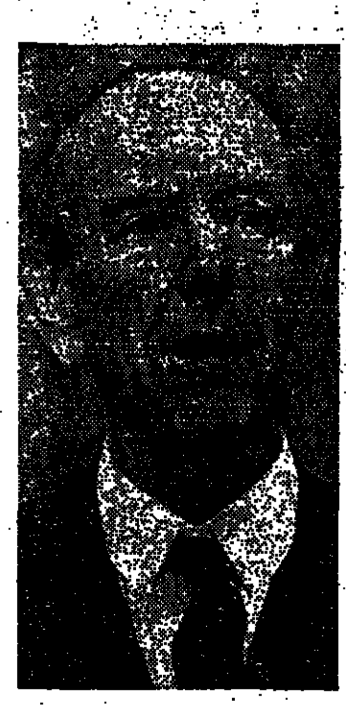
A series on expanding companies in Strathclyde

The Executive's World

Geoffrey Owen looks at the implications for directors in the recent reports on London and County Securities and on the Lowson Group of Companies

Two kings and their courtiers

Mr. Gerald Caplan



Sir Denys Lowson

MAY FIND, you think, a person is a director re he directs, or a finan- ontroller, therefore he s finances. I think you see the company rather the court of a medieval which you had the great of State, who had the ut no power, and the wer was in the emotions whims of the king, and luence of a fluctuating f courtiers around him If you think about it, ally and psychologically, y difficult to bring your- the point to think that 1 man is at fault when 25 per cent. of the of the kingdom."

comment, made by a to the Department of nspectors whose report don and County Securi- s published last week, p the position of those s—and there are a good f them — who work in ies dominated by a autocratic boss. The and County report,* earlier reports† by the ent of Trade inspectors Lowson companies, pro- rare insight into how kings and courtiers

bber stamp

Denys Lowson, Lord of London in 1950-51, founder and architect owson group, chairman of its companies and y responsible for all licy decisions through- group. In the words of ctors' account of Board at First Re-Investment "Sir Denys Lowson n some cases give an ion of an individual on and would invite s. However, the occa- en any questions were discussion initiated by er director were very ed. Sir Denys himself dged in evidence that meetings were pretty bber stamp."

e case of Mr. Gerald control over London nty, the inspectors com- Mr. Caplan's sway over r directors was absolute. re always ready to do ing. They regarded him mixture of admiration ehension. He was the ycoon, a man who had ubstantial personal for- ore the age of 40. He ruthless, if devious, ethods. Confrontation was not his style; rather would he communicate to his subordinates by hint and innuendo what the price of disobedience would be. But it seldom, if ever, came to that. Usually he carried them with him on a tide of optimism. They did not question his decisions. For them no other authority was needed. He was treated as though he was the company."

In a court of this kind loyalty and obedience are the qualities most prized in subordinates. One of the directors of London and County, Mr. W. Perry, signed a number of documents which had not been approved by the Board and which committed the company to very large transactions. Mr. Perry, who said he was "socially much closer to Mr. Caplan than other people," did not recall ever having refused to sign a letter which he was asked to sign. The inspectors accept that he had no expertise in banking, accountancy or company law and that he was surrounded by men with professional qualifications. "But that did not entitle him to refrain from thinking *for himself,*" *say the inspectors.* "*Nor do we believe that he did.* He knew that in practice his brand of unquestioning loyalty would be rewarded."

The longer a man has been under the spell of a masterful personality, the more difficult it is to adopt any other attitude. Mr. T. D. Mullins had been associated with Sir Denys Lowson since 1940. "I was by the nature of things an employee," *he told the inspectors,* "and I did not become a director (of the National Group) until 1950. . . . I regarded Sir Denys as the Boss and I was nowhere near acting in the way of a director who could take up an independent and forceful attitude at Board meetings or in day-to-day affairs when Sir Denys wanted his way. . . . It has been this employee attitude coupled with the overriding and forceful attitude of Sir Denys that I have lived with for so long and which has been the pattern of the Lowson organisation."

Non-executive directors have to rely on the information given to them; that information, in both the Caplan and Lowson companies, was inadequate. In the case of London and County two of the directors made mild complaints but did not press the matter: they were content to leave the direction of the group in Mr. Caplan's hands. The inspectors comment: "Only Mr. Caplan knew what each of the executive directors were doing; they did not know about each other. As for the non-executive directors, they hardly noticed the lack of information. They were mostly content with what they were given. And what they were given, usually in the way of decisions to approbate after they had been implemented, was what Mr. Caplin saw fit to give them."

This is illustrated in the account of London and County's bid for Inveresk, which was announced to the public before it had been considered by the parent Board. Some of the directors were uneasy about the proposal from the start. As one of them told the inspectors: "I had this horrible feeling that Mr. Caplan saw companies as assets to be moved about on a Monopoly Board, not as people, as living organisations, and I was very frightened that at the back of his mind there was some thought of stripping, which would have landed us in awful political problems. So I mistrusted the reasons. I thought there was no commercial rationale."

Yet, in the end, each of the directors signed a letter of approval for the Inveresk offer document; they were under strong pressure from Mr. Caplan to do so (at the time the company was close to collapse), but this did not excuse, in the inspectors' view, their failure to satisfy themselves of the accuracy of the document. "No proper consideration was given by any of the directors to the working capital position at the time and the statement in each letter that the director had made 'all reasonable inquiries' *was unsupportable.*"

Dilemma

When to carry uneasiness to the point of resignation, especially when such a step could have serious effects on the company—this is a familiar dilemma for directors. Mr. R. D. Guthrie, a director of the Lowson-controlled First Re-Investment Trust, had become increasingly unhappy about the style of management within the group and had criticised Sir Denys on several occasions. Should he have resigned? "The main reason for my not resigning," he told the inspectors, "was that I thought, rightly or wrongly, that the position was not likely to be improved if I resigned. Because if I had resigned one of two things would have happened. Either I would not be replaced at all, or alternatively I would be replaced by someone who would not take a positive and definite stand as I had taken from time to time. Therefore by resigning I thought it would achieve the reverse of what perhaps was intended."

Another director, Mr. P. A. Revell-Smith, took much the same line. "My choice was quite simple, whether to walk out of the group or to stay in it. This has been my problem for four or five years and I was foolish enough to think that I could change things. I thought there were glimmers of light coming."

In the conditions which prevailed in both the Lowson and Caplan empires the difficulties in the way of bringing about change from within were very great. That it was not impossible is shown in the case of Australian Estates, another Lowson-controlled company, whose sale of shares in South Winnipeg figured prominently in the Department of Trade investigation. In May 1973 Mr. C. Y. Mills, a director, was asked by Sir Denys to sign the accounts. Partly because of recent articles in the Investors Chronicle about other Lowson companies, Mr. Mills was particularly careful in checking all disposals of shares. On the South Winnipeg transaction he raised a number of queries with Sir Denys and this was the start of a prolonged attempt by Mr. Mills, supported by two other directors, to get at the full facts of the transaction.

The resistance was considerable. Sir Denys was said to have been "furious with Mr. Mills" and he regarded the subsequent Touche Ross inquiry as "an impertinent intrusion" into his private affairs. Mr. Mills pressed Sir Denys for straight answers at one Board *meeting but, as he told the* inspectors, "he was a fairly powerful chairman who would brush you aside pretty quickly and go on to another subject quickly, so that one did not get very far with that sort of thing." Nevertheless, the inspectors praise Mr. Mills, and the two directors, who supported him, for pressing through with the Board investigation.

This is one of the few sections of the inspectors' reports where directors are seen to have lived up to their responsibilities. Throughout the reports there are numerous examples where directors, whether through weakness or ignorance or greed, failed to perform their duties. It is because the autocratic boss, surrounded by yes-men, is a not uncommon figure in the world of business that these reports deserve to be read widely. They not only provide a fascinating account of the rise and fall of two City tycoons, but also contain lessons which all company directors, whether executive or non-executive, would be well advised to study.

† Department of Trade: First Re-Investment Trust. Nelson Financial Trust, English and Scottish Unit Trust; reports of investigations under section 165 (b) of the Companies Act 1948; HMSO £2.

† Department of Trade: Australian Estates Company, First Re-Investment Trust, Nelson Financial Trust, English and Scottish Unit Trust Holdings; second and final report of investigations under section 165 (b) of the Companies Act; HMSO £4.20.

** Department of Trade: London and County Securities Group; report of investigaton under section 165 (b) and 172 of the Companies Act 1948; HMSO £6.*

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Acrow enters new phase

BY KENNETH GOODING

MR. WILLIAM DE VIGIER, the embodiment of the old-style entrepreneur, announced yesterday he is to stage a "stategic withdrawal" from Acrow (Engineers). This is the company he set up in 1935 with a capital of £150 and which he *has since built into the U.K.'s* largest manufacturer of construction equipment with 7,400 employees, a turnover of £80m., taxable profits of £6m. and a stock market value of £52m.

Mr. de Vigier has no plans yet to leave Acrow completely but his decision to give up the managing directorship represents a significant change of personal style.

He is now 64 and he says: "It is only right at a certain age to plan your withdrawal. That way you can do it in a more effective way."

Acrow advertised the fact that it was looking for a new managing director some time ago. Mr. de Vigier says this was simply to see "who was on the market." But there was no "headhunting" because "one of the most important qualities I look for in my people is loyalty and anyone who could be headhunted would almost certainly not be suitable for Acrow."

In the event, the new man has come from inside the group but he did join Acrow as the result of an advertising campaign — for a finance director — just over two years ago.

He is Mr. Bill Jack, 54, who became managing director of Coles Cranes, which accounts for about half of total group turnover, in February 1974. Mr. Jack started in engineering just after the Second World War and spent most of his career with Hopkinsons Holdings, the public company based at Huddersfield. "My main strength is the wide administrative experience I got at Hopkinsons as personal assistant to the chairman and managing director."

He admits to no qualms about taking on the group managing directorship even though Mr. de Vigier, founder and architect of the company's fortunes, will remain as chairman. "The arrangement will be the same as that which we had for Coles Cranes — he will let me get on with the job. Although he has all the information one could want at his finger tips because of the control system he has developed, Mr. de Vigier does not issue instructions to his managing *directors to do this or to do* that. Of course he ask questions from time to time. But in the two years I have been at Coles I have received only two instructions from him and these were on minor things — aspects of company policy that I had not been aware of as a newcomer."

Over the next year or so Mr. de Vigier will see the new managing director and his deputy "settled firmly in their driving seats" and then concentrate mainly on planning and "on the products we shall be making over the next few years."

The change-over will involve him gradually giving up the chairmanship of the operating companies in the group — he heads up 20 of them — and retaining simply the chairmanship of the holding company.

Otherwise there will be very little change in the management structure at Acrow. "We shall still carry a very small head office staff — just the chairman, group managing director, group deputy managing director, finance director and financial controller — and allow the operating companies complete autonomy."

Mr. de Vigier started in business by selling adjustable steel props at a time when the construction industry in the U.K. used only the timber types. He later branched out into selling a prefabricated system of form work (moulds into which concrete is poured) and then other construction equipment with the basic philosophy that he would touch nothing that he could not "make, sell and forget." By that he meant he did not want to get involved with anything which needed after-sales service. But he changed tack completely in 1972 when Acrow successfully bid for the Steel Group, the mechanical handling plant company which took in Coles Cranes and Priestman Brothers, both crane makers.

He recalls: "The 'make, sell and forget' philosophy was right at the time, in the early stages of Acrow when we had no cash and could take no big risks. But we could not find anything else to buy which fitted that picture."

Mr. de Vigier is proud of his industrial relations record— "the only industrial disputes of any significance we have had took place after we had acquired companies. Our management system involved much tighter all-round control than they had been used to and people don't like that kind of change. But after a very short time they grew to like the Acrow system."

From April 1 this year each of the operating company Boards will have a director appointed either from the shop floor or the staff. Mr. de Vigier has insisted that the new director must (i) have been elected by ballot and (ii) have been at least five years with the group.

He says this step "should help improve the already happy relationships between the management and the rest of the team because the new directors will have a better feel of the atmosphere on the shop floor *and in the offices.*"

Acrow's new managing director will be getting no service contract. "They are a one-way obligation, binding the company but not the man," says Mr. de Vigier.

But he does believe in "protecting the team" by continuing to keep effective control of Acrow through his holding of Ordinary shares in the company —49.7 per cent. worth £10m. The public must mainly make do with "A" shares which carry no votes. "As long as I still have something to say about it there will be no change. There are many large companies interested in Acrow but as things stand, the group cannot be taken over and that gives our team an excellent sense of security."

Interplay between local authority and Government in setting rate levels was featured in Granada TV's Decision programme last night. **Colin Jones** comments. . . .

Deciding how much

THIS TIME a year ago the Government sent a circular to local councils up and down the country asking them to avoid increasing their current expenditure in real terms in 1975-76 *save for inescapable ongoing* commitments. For the London Borough of Hammersmith this would have meant making do with a real growth rate of about $2\frac{3}{4}$ per cent. which, after allowing for the GLC, ILEA and Metropolitan Police precepts, would have resulted in an increase of about 25 per cent. in Hammersmith's householder rates. But it would also have meant "a complete change of philosophy" for the ruling group on this overwhelmingly Labour council. Up to then, they had been planning for an incredible 52 per cent. real increase in current spending and a 116 per cent. increase in the domestic rate call.

The council's strategic resources committee secured the Labour Group's grudging acquiescence to try to cut back to an 8 per cent. real growth rate, which would have meant a 30 per cent. rates increase. But the first round of budget cutting by the other committees fell a good deal short of its target: the figures still added up to an annual 11 per cent. growth rate and a 38 per cent. rates increase.

More meetings followed and there was much anguished discussion about social, environmental, and cultural priorities among committee chairman and officials. Eventually, the Labour Group settled for an even larger budget — $17\frac{1}{2}$ per cent. real growth and a $42\frac{1}{2}$ per cent. rates increase. A last-minute call for cuts by the small Conservative minority, who managed to get into the act only at the final rate-fixing meeting of the full council, was voted down.

Last night's Granada Decision programme devoted 78 minutes to an encapsulated verbatim record of what happened inside Hammersmith Town Hall between the arrival of the Whitehall circular in early January and the final rate-fixing decision *nearly two months later. It was* the second of three "fly-on-the-wall" accounts of corporate decision making by Mr. Roger Graef, the American television producer, who took us inside the EEC headquarters in Brussels during the referendum campaign last summer and who had *earlier given us an inside view* of the making of the Fair Trading Act, 1973.

Naturally, both critics and defenders of local Government will be able to use last night's programme to prove points. Why was it, Mr. Barrie Stead, the Hammersmith Labour Group leader, was asked by one DoE official at last week's preview, that the Government's call for extra restraint had seemingly made so little impact and would this year's standstill request meet with a similar fate? Mr. Stead said that Whitehall was too remote—even from Hammersmith — compared with all the local and party pressures for more and better services.

Reasons

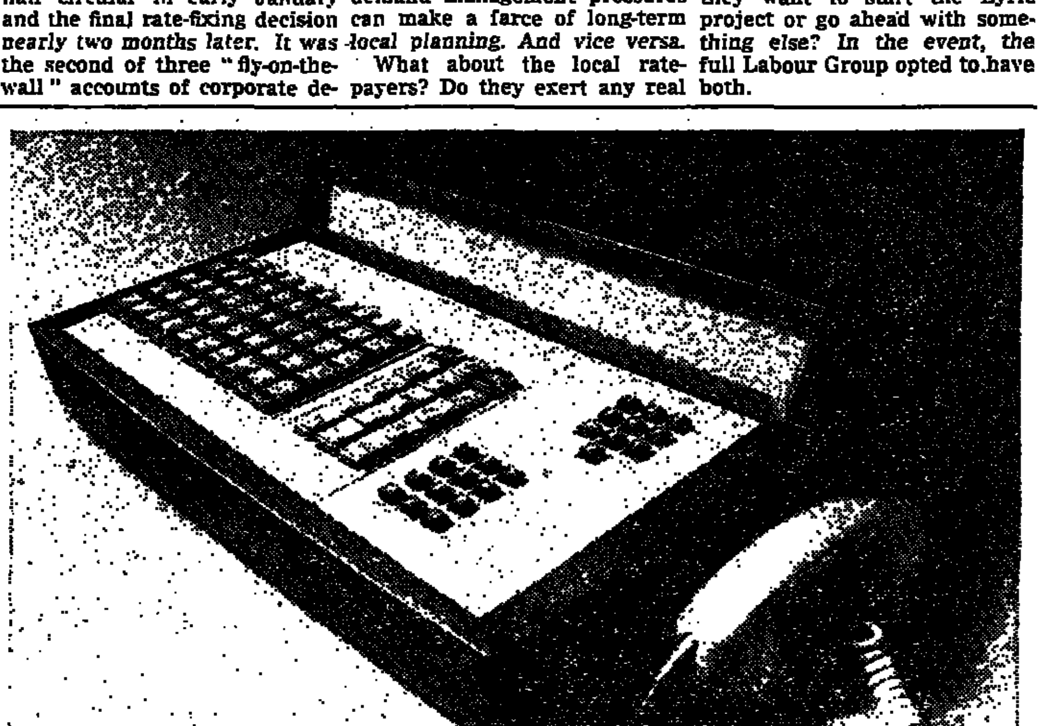
Additional reasons are suggested by what happens in the film itself. When the grant settlement by Ministers is generous—as last year's clearly was—the pressure from local officials eases off. Local budget preparations usually start in the summer but the grant is announced—and calls for cutbacks in expenditure are often made — some six to seven months later, much too close to the start of the new financial year for the momentum created by earlier decisions to be halted.

Moreover, the scale of local services has been considerably expanded in recent years. What used to be regarded as a luxury is now thought of as essential: once a new service or project has begun, it is next to impossible to take it out. Because of this local authorities are now expected to work to long-term corporate plans. But central government remains responsible for demand management and, as is remarked at one point in the film, short-term demand management pressures can make a farce of long-term *local planning. And vice versa.*

What about the local ratepayers? Do they exert any real influence? The film showed three Labour councillors conducting a straw poll among their constituents in a pub. Would you prefer a rate cut or the Lyric Theatre re-built? they asked. *But, at the Labour* Group meeting, another councillor told them that they'd never yet lost an election because of the rates, adding that they had another $3\frac{1}{4}$ years to go before the next election. Clearly, as far as she and certain other councillors were concerned, the need for better services — and the Party's pledges — came before consideration both for ratepayers and the Government.

For this and other reasons, the Government's call for no growth bar inescapable commitments was probably doomed from the outset at Hammersmith—unlike in other parts of the country where the response was different. Whatever the council's officers might have thought, the decision to comply with or defy the Government request was a political one and so most of the film is taken-up with the debate at member level. At one meeting of chief officers, with no councillors present, there was a reasonably structured discussion of social and economic priorities. If pushed to it, the Director of Social Services would have been *quite prepared to drop for the* time being the council's services for the ambulant elderly—such as holiday weeks and luncheon clubs—in order to retain domiciliary services for those who might otherwise die: but he knew that this re-ordering of priorities was "politically unacceptable."

In the Labour Group, it was more a matter of instinct and political faith. Mr. Stead, who is an accomplished local political leader, is seen at one point explaining patiently to one committee that the strategic resources committee was merely recommending a total figure: it was for the committee to decide its own order of priorities. Did they want to start the Lyric project or go ahead with some*thing else? In the event, the* full Labour Group opted to have both.



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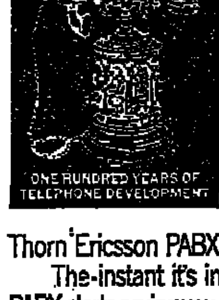

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WEDNESDAY, FEBRUARY 4, 1976

Now for the incentive

THE Confederation of British Industry is wise to warn the public against a euphoric reaction to its latest survey of industrial trends. The favourable points in the survey—an improvement in business confidence, the signs of an end to de-stocking, improved export prospects, and perhaps most important an expected revival in real activity and productive investment—present the best outlook, incomparative terms, for more than two years. We are clearly near a turning point.

However, it is just as important to remember that the figures *are* comparative, and that industry remains in its deepest recession since the war, with no less than 85 per cent. of manufacturing industry short of orders—the worst figure in the history of the survey. Cost inflation is still a major worry; even in export markets, despite the rapid depreciation of sterling, price competitiveness is a bigger constraint than it was a year ago.

There are, in fact, somewhat more solid grounds for encouragement than the mere fact that we have reached bottom. An important reason for the revival in general confidence, which has turned round very rapidly since last summer, is the conviction that inflation *is* at last being tackled effectively, and more generally that the Government is showing a growing understanding of industry's problems. It is as well, however, to be clear what would be likely to happen if the recovery were simply left to run its course unaided. For a time, quite a rapid improvement in activity is likely; destocking by the retail trade already seems to have come to an end, and manufacturers can no longer meet much of the improved retail demand out of their own excess stocks.

U.S. experience

However, a recovery from the stock cycle is likely to be a fairly short-lived adjustment, as experience in the U.S. has already shown. Once production is running more or less in step with sales, further progress is likely to be much less dramatic Even when the adjustment is complete, industry is likely to have a historically high level of surplus productive capacity; and productive investment, which is likely to fall this year to its lowest point since 1968, would revive only slowly.

There are two conditions, as the CBI points out in its policy conclusions, which are necessary if bottoming out is to turn into real recovery: a continued reduction in the rate of inflation, and an improvement in profitability. These two objectives may appear to the Government to be to some extent in conflict, for Governments are always tempted to suppress inflation rather than to eliminate it; and while the Prime Minister and the Chancellor have spoken firmly and encouragingly of their intention to attack inflation, even at the cost of high unemployment, they have been rather more reticent about profits.

Key to expansion

The fact is that profitability is the key to expansion and to reducing unemployment. The CBI survey provides one clear piece of evidence: even in the present recession, 15 per cent. of companies report investment opportunities going begging for lack of internal finance. Further, despite the easy availability of bank credit and the revival of the stock market five per cent. of all companies, and ten per cent. of small ones, are frustrated by difficulties in raising external finance. If such constraints appear now, what is likely to happen when expansion puts real pressure on the available funds? The fact is that these constraints are the entirely predictable result of more than three years of price and dividend restraint, compounded by an interlude of unrestrained wage inflation. Recovery should bring improved profitability; but only if companies can restore their margins without interference from a rigid formula and share that profitability with those willing to subscribe capital, can the present turning point lead to real expansion.

Higher charges for a worse service

THE FINANCIAL problems of the Post Office's letter service are so intractable in comparison with those of its rapidly-growing telecommunications side that there must be a great temptation for top management to look the other way as long as possible. However, the letter service is now rapidly reaching the point where higher tariffs lead to diminishing traffic and still higher tariffs: the question is already being raised, whether the Government should not recognise that the letter service *performs a social as well as a* commercial function and provide the Post Office with a special subsidy on unprofitable services. Before that situation arrives, it is high time for a Committee to look closely into the working of the present system and discover why, despite *the undoubted drawbacks of a* heavily labour-intensive business, the Post Office letter service seems to give so little satisfaction to the public in either price or quality.

The Government announced the chairman of just such a Committee of Inquiry last November, and that announcement has plainly overshadowed the investigation carried out by the Select Committee on Nationalised Industries. The evidence it has taken and the highly tentative conclusions it has drawn will be of use to the Carter Committee and will, it is to be hoped, save the latter from having to go again over ground that is already well trodden.

Quality and price

In so far as the immediate financial position of the Post Office is a matter for concern, there is much to be said in favour of the suggestions put forward in this report, that the Treasury itself should pay a more realistic fee for the agency services carried out for it by the Post Office and should make a sizeable contribution towards putting the pension fund on a sounder basis. If it is argued that these are merely bookkeeping transactions, the answer must be that there is justification for them in bookkeeping terms and that there is some advantage in not pushing the letter service down the vicious spiral into bankruptcy and demoralisation any earlier than necessary.

For the outlook is not altogether gloomy. Mechanised sorting can go ahead more quickly now that the union is proving more co-operative. Greater use of part-time female labour may become more widespread now that discrimination is illegal. A fairly simple amendment to *existing law would greatly ease* the burden of distributing letters direct into particular letter-boxes. Above all, perhaps, a more imaginative use of tariff policy might either increase revenue directly or, by improving the quality of service, increase it indirectly. For the undeniable fact is, whatever the Post Office's own sampling may show, that the general public is fed up not only with the very sharp increase in the price of the mail over the past few years but with the failure to provide a first-rate service at any price

The Carter Committee will have more time and opportunity to look behind the particular difficulties of the letter service to the people behind them.

If the present state of affairs is due to the fact that the relative glamour of the telecommunications side attracts the best talent, there may be a case for separating the two operations: though in the longer run, one would imagine, *the idea of a single communications* service is likely to prove fruitful. But it would also appear from the Select Committee's report that the responsible departments, and especially the Department of Industry, are less interested in the affairs of the country's largest single employer than the size of its operation would merit. The explanation of this attitude, if the Committee's remarks prove to be justified, may throw considerable light on the causes of what is rapidly becoming an acute problem.

Britain and Italy are involved in a political row over the location of a £70m. research project in controlled thermonuclear fusion which could provide a new source of energy. **David Fishlock** reports

The fight to plant Europe's 'seed of fusion'

THE POLITICAL row erupting between the British and Italian Governments over the location of one of the most ambitious research projects conceived in Europe concerns a venture which, if successful, could open the way to a new source of energy in the 21st century. Britain believes it has a compelling case for locating the £70m. project in the U.K. But in pressing its claims to play host to the project, the Italian Government has a case that finds favour not only in Brussels but with some of the smaller EEC members.

JET, the Joint European Torus, is Europe's bid to keep abreast of progress in controlled thermonuclear fusion, an area in which research is dominated by Russia and the U.S. If it proves as successful as its designers predict, Europe by the mid-1980s should have a shrewd idea of the shape of its first fusion reactor.

JET's importance for a continent apparently impoverished in terms of to-day's fuels is clear. For fusion reactors, it is hoped, will run on plentiful and cheap fuels, deuterium and *tritium. These are two isotopes* of hydrogen, a constituent of water and thus among the most abundant of elements. Long ago, the idea led Dr. Alvin Weinberg, a famous U.S. physicist, to speak imaginatively of "burning the seas."

If succesful, fusion should have some other intrinsic advantages over nuclear fission, the process now used to generate nuclear energy. For example, its waste products will not be radioactive; and its fuel inventory will be so small that the reactor itself should raise no serious problems of radioactive release.

The Italian and British Ministers responsible for putting their country's case for the JET project: (left), Dr. Mario Pedini, Italy's Minister for Co-ordination of Research and Technology, and (right) Mr. Anthony Wedgwood Benn, the U.K. Secretary for Energy. Centre: Members of the JET design team at Culham Laboratory, with the head of project, Dr. P. H. Rebut of France on the extreme right.

Uncertain cost

But no-one to-day knows how to design a fusion reactor, much less how much such a reactor might cost. At a nuclear conference in Geneva, Professor Isidor Rabi, one of the world's foremost experts in fusion physics, summed up the uncertainty when he said: "Fusion is not against the laws of physics — although it may be against the laws of economics."

Only by constructing highly sophisticated experiments such as JET can the physicists show whether fusion (H-bomb) reactions might be tamed in the same way as fission (A-bomb) reactions are tamed in to-day's nuclear reactors. JET—like most big fusion experiments being planned to-day—derives from a Russian invention called Tokamak, which in turn derives from a U.K. experiment of the 1950s called Zeta.

If JET works, it should establish what reactor conditions are right for the continuous release of energy. If it works particularly well, the scientists may even get bursts of heat energy as great as 20 MW and lasting for as long as 20 seconds. But this will happen only if the physics of JET turn out to be extraordinarily favourable.

JET has been designed by an international team of 57, led by Dr. P. H. Rebut, the French fusion physicist who has been working since 1974 at the Culham Laboratory near Oxford. Technically, the physicists agree that its concept stretches present-day technology to the limit in some crucial respects.

JET is essentially a giant *electromagnet, fashioned in the* shape of a torus or ring doughnut, 20 feet across, and designed to act as a "bottle" for electrified gas at extremely high temperatures and pressures. This writhing mass of gas ("plasma") will strain ceaselessly to escape from the bottle. But because of its electrical charge it will be restrained by the magnetic forces.

What the scientists are trying to do is to stimulate the thermonuclear reactions responsible for the sun's output of energy. Some idea of the scale can be gained from the fact that JET's magnet will require the biggest coils ever wound for an electrical machine, wrapped round a core of some 1,500 tons of steel. The experiment will operate at power levels as high as 230 MW —the output of a small power station.

The technical difficulties raised by a *machine as ambitious* as JET are the nub of the case Britain is preparing to oppose the Italian claim to play host. The fate of JET may well be decided at the Council of Ministers' meeting in Brussels on February 24. This week Mr. Anthony Wedgwood Benn, the Secretary for Energy, is being briefed on the reasons why British fusion physicists believe that JET should be built on a site adjoining the Culham Laboratory, and why they feel the inherently high-risk project *could be jeopardised* if located at the site the Italians have chosen.

The problem for Britain is that JET has been designed as the leading experiment for the next phase of the EEC's joint fusion research programme. Under this highly successful programme a small team in Brussels *co-ordinates* the work of a dozen fusion laboratories around Europe.

WHERE THE JET CASH WILL GO

(£m.)	
The JET device	15.1
Power supplies	11.7
Buildings	7.9
Auxiliary systems (pumping, heating, cooling, etc.)	4.7
Operating Budget	4.6
Instrumentation (including computers)	3.6
Manpower (1,398 man-years)	16.5
Contingencies	5.9
TOTAL	70.0

But the EEC—strenuously lobbied in recent months by the Italian Government—has proposed that JET should be built at a site with no previous experience of nuclear fusion. This *is at Ispra, in northern* Italy, where the biggest of the EEC's own research centres is located.

Ispra, now known as the EEC's Joint Research Centre, has long been a cause of controversy within the Common Market. It was originally set up as a reactor development centre, a role in which Euratom achieved no conspicuous success. From 1969-73 the EEC failed to agree on a new role for Ispra and kept it alive on a year-to-year basis. Then it agreed a new four-year programme which *featured* major research efforts on such subjects as hydrogen as a fuel of the future.

This programme comes to an end this year. The Italians, who have always staunchly defended Ispra against critics—including the U.K. at one stage—who wished to see it closed, recog*nised that JET could provide it* with the big, long-range mission it desperately needs.

The Italian Government is basing its case on the psychological importance of establishing JET as a truly EEC project, and not merely one that the EEC's fusion specialists in *Brussels are co-ordinating into* the overall European programme. Dr. Mario Pedini, the Italian Minister for Co-ordination of Research and Technology, sees it as essential that fusion research should become a wholehearted Community effort, if the EEC is to avoid another flop like Euratom.

The Italians even argued that JET should be financed completely from EEC funds. The EEC compromised by offering to pay 80 per cent. of the bill, with the balance to be shared among participating nations, according to GNP.

Dr. Pedini claims that even if JET proves a resounding success, there would be at least two more major development steps before anyone would be in a position to design a European nuclear fusion reactor. One would probably be a superconducting version, likely to be still more expensive, which could be constructed at another EEC fusion research centre. By then—well into the 1980s—the "seed of fusion," as he calls it, would have been planted firmly in EEC soil.

This scenario *is meeting with* scant sympathy in Britain. The main U.K. grounds for opposing the choice of Ispra is that it would greatly lessen the chances of success with a very difficult project. Dr. Walter Marshall, chief scientist of the U.K. Atomic Energy Authority, scientific adviser to the Department of Energy and formerly a fusion physicist, has satisfied himself that, although very *ambitious, JET can be made to* work. But he believes that it will need all the technological resources of a team experienced in building the very complex machines used in fusion research.

He is not satisfied that Ispra has those resources—or can *acquire them. Which existing* laboratory, he asks, is going to feel sufficiently committed to JET to help Ispra get out of trouble? "Frankly, I can't see how it can succeed," says Dr. Marshall.

It will succeed, he believes, only if built in close proximity to a *fusion laboratory* with a good track record in building fusion machines.

Fusion physicists throughout the world agree that the European centre comparable with the best that the U.S. and Russia can offer in big-project management is the Culham Laboratory, where JET was designed. Germany has proposed Garching near Munich, which also has a good track record, though less impressive than Culham. The French have offered a new site at Cadarache in the south, which would mean transferring their resources from Saclay near Paris. The Italians have a good laboratory at Frascati near Rome, but are not proposing that JET be built there.

But even Italian fusion physicists think that Dr. Pedini is being a bit disingenuous in suggesting that, provided JET goes to Ispra, its successor could be built at other *centres in Europe. They* believe that so great will be the investment in engineering resources —nearly half of JET's cost is special power supplies, buildings and cooling systems—that there would be strong economic pressure to conduct any subsequent developments at the same site.

The wrong target

The British contention at the Council of Minister's meeting is likely to be that in choosing Ispra, the EEC has fixed its sights on the wrong target; it has shown more concern for solving the purely administrative problem of the future of its Joint Research Centre than for the formidable technical difficulties of the JET project. To try to ensure success, Britain is willing to turn over the entire resources of its Culham Laboratory to the project.

The Italian case — which may well win support from some of the smaller EEC countries — is likely to be that, so important is fusion to Europe's future energy prospects that it must be pursued as a Community effort, at an EEC *research centre. They make no* secret of their fear that they could find themselves shut out of fusion once it began to look economically realistic, as they believe they were shut out in 1971 of the Anglo-German-Dutch treaty on uranium enrichment.

MEN AND MATTERS

Vote for icebergs

One reliably jolly side to the American presidential race is the appearance of what might kindly be called minority interest candidates, espousing all sorts of strange causes. For *the campaign of '76, the number* of these hopefuls has risen sharply. Almost 90 candidates have now notified the watchdog Federal Election Commission that they are taking part, against only 36 four years ago.

Ira Waggoner of Illinois is campaigning (?) on the "towing icebergs to California and irrigating the desert," ticket, combined with what seems quite a reasonable desire to turn dumped cars into farm machinery. Accountability Burns, from Oklahoma, born on Christmas Day, has a simple message, wanting to make December 24 and February 28 national holidays. California itself is the home of Ernest Whitford, who is majoring on a national programme to add bran or 7 per cent. roughage to all processed food in order to curb constipation, which he says *is America's main cause of illness.*

The law requires only that Presidential candidates be 35 or over and make periodic returns of how much they are spending on their campaigns. The youngest to register with the election commission is 35-year-old Conrad Morrow, who seems to spend most of his life hitch-hiking around Canada and the U.S., and whose politics seem more or less straightforward Communism. Morrow's declared spending so far: $15 on two 'phone calls, according to the *Washington Post.*

Robert J. Roosevelt might just have an edge in public recognition terms on the roving Morrow, although he is not content merely to state he is a relative of Theodore and Franklin of the same name, but also claims descent from William McKinley and Ulysses S. Grant. The latest Roosevelt wants supporters to "*contribute* generously and at once," but adds a not of wry realism to his campaign by informing the commission that due to "terrorism and threats it has been necessary to cancel fund-raising dinners."

"I'm trying to protest but I can't get a dialling tone!"

This is how

The International Olympic Committee in Innsbruck turned yesterday from worrying about the Montreal summer games and attendant problems to the next games in 1980. Another nightmare? Far fro mit, declared Soviet deputy premier Ignati Novikov, leader of the delegation from Moscow where the summer games four years hence will be held. There was great *enthusiasm in Russia for the* games, he said, and there had been 26,000 proposals for the motif design for the event. And, most important, against the $1,200m. cost of the Canadian games, the Russians are *aiming to go no higher than* $230m., and hope for economies even on that.

"Everything will be ready on time," Novikov said after meeting the IOC. "We do not have any doubts on that. The Socialist planning system allows us to be sure."

Watch the button

Troubles and ambitious expectations of triumph in the world *of watches yesterday. In* France, near the border with the classic watch-making Swiss, over 200 companies went on strike to protest against President Giscard d'Estaing's special help for Lip, the business that became an industrial *cause célèbre* when its workers refused to accept closure.

But are they all concentrating on the right end of the market anyway? The question is raised by some ambitious—some might say over-ambitious —predictions rolled out in London by 38-year-old Wilfrid *J. Corrigan, who sounds as* American as his California-based company, Fairchild, but in fact spent his childhood on Merseyside followed by a chemical engineering course at Imperial College.

Fairchild is expanding from microcircuits and other electronic components into consumer products, and that means principally electronic digital watches. Generally, they have a drakened face until a button is pushed to light up the time in figures.

Britons are the world's second *most voracious watch watchers,* yielding only to the Americans in the number of wrist watches per head, as it were. Corrigan had come home to preside over the launch of Fairchild's new "collection" (watches are marketed like *fashion goods these* days).

Now to the claims, Fairchild reckons already to be the world's leader in digital watch manufacture; clocks and TV games will be added to the product line this summer. Corrigan forecasts that digital watches, which are *proving a* craze across the world and particularly in the fad-happy States, will account for virtually the whole of the next five years growth in the international watch market.

When it comes to fashion, such predictions could of course be self-fulfilling. One question, I suppose, is whether customers go for the notion that the pleasure of telling the time is somehow enhanced by pushing a little button.

Fairchild chose some curious advertising on American television last year. Digital watches were "*pushed*" in a film which featured a mountaineer. But wouldn't his button-pushing fingers be occupied clinging on? "He didn't have three hands," conceded one executive in Corrigan's team with a smile.

Don't push

Air India's New York reservation office has a queuing system for incoming telephone calls. If all the booking clerks are busy, a pre-recorded message starts: "*This is* Air India, the airline that treats you like a maharajah . . ." It then goes on to ask the caller to wait until someone's *free.* Clearly, being a maharajah's *not* what it used to be.

Observer

Don't buy or lease a telephone dictation system— yet!

Don't sign the order. Not until you've seen Agovox Code-Line Teledictation. No other system out-performs Agovox or provides better value for your investment. In a very attractive financial package too!

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هكذا في الأصل

John Elliott weighs up the implications of yesterday's Leeds industrial tribunal verdict on claims of the "Ferrybridge Six"

No joy for the closed shop's opponents

…NENTS OF the closed …ill find little of substance …e judgment yesterday …the Leeds industrial …l on the case of the …bridge Six," to support …ews that such industrial …es should be abolished. …hough the tribunal came …n favour of the men to …ent that they will—sub…) any appeal—receive …l compensation for …heir jobs over the closed …ssue, breakaway unions …rt badly in the judgment …established TUC unions …l some praise.

…he same time, again …to appeal, the electricity …industry's management …eing made to re-employ …who could be the cause …re industrial disruption …of their view that their …breakaway union, the …city Supply Union, is the …one for the power …

…cial

…e other hand, the story …six power workers who …to revolt against the …t TUC unions has …o air the issue of the …hop at a crucial period …development, when …of unions with a com…embership of some 3m. …ng to negotiate agree…or its introduction.

…ajor point of principle, …immediately springs …sterday's findings. On …of it, Parliament will …discussing closed shop …he Government's Trade …and Labour Relations …nent) Bill without any …w background material. …nt, as the law stands, …can refuse to join …op unions on "reasonable grounds," and there was considerable debate during the Leeds hearing on this point. But the tribunal bases its verdict on more technical points—namely the fact that the closed shop was not efficiently run—and leaves its views on whether the six had "reasonable grounds" inside a sealed envelope which can be opened only at the behest of "certain high authorities"—presumably the chairman of any court which might hear an appeal on the case.

The judgement thus had to be prepared against this uncertain Parliamentary background. Mr. George Smailes, the tribunal chairman, who was flanked by two "side men" at the hearing, made it abundantly clear in his judgement that he did not relish the obligations this put upon him—hence his somewhat dramatic decision to deposit his views on the contentious issue of "reasonable grounds" in a sealed envelope. Mr. Smailes is a Leeds lawyer who, as he states in his 20,000-word judgment—itself probably a record length for such tribunals—has been doing industrial tribunal work for some ten years. In his judgement he draws on this experience and does not shy away from castigating those of whom he somewhat disapproves—and his target, more often than not, is the Ferrybridge Six.

For the origins of these men's case that they had been unfairly dismissed for refusing to join one of the electricity supply industry's four TUC-affiliated closed shop unions, one needs to go back to the mid-1960s. At that time, the electricity generation and distribution industry was going through a period of rapid change with the four established manual workers' unions, mainly as a result of the dynamic leadership of the late Sir Leslie Cannon, the industry's senior union leader, co-operating in advanced productivity arrangements.

The Ferrybridge Six — compensation but still barred from the power station.

Such advances were attacked by Communists and other Left-wing militants in the industry and also by a quite separate fringe which resented the fact that the productivity deals were directly affecting the size of their wage packets and were leading to a reduction of overtime working. It was with the claim that the four established manual workers' unions—the Electrical and Plumbing Trades, the Amalgamated Union of Engineering Workers, the General and Municipal Workers and the Transport and General Workers—were not properly looking after electricity workers' interests that the Electricity Supply Union was accordingly launched in 1966.

It attracted little attention, and declined fairly rapidly when, in 1969, the electricity supply management signed a national closed shop agreement with the four TUC manual unions. The Electricity Council considered it right that the four unions, co-operating as they were with management on the productivity agreement and other measures for the good of the industry as a whole as well as guarding their members' interests, should be so supported.

The agreement was introduced with little or no trouble. With special exceptions and appeal arrangements built in, it was regarded by the management at the time as a good example of a way of balancing the reality of industrial relations with safeguards to meet libertarian ideals. There were no appeals against it from the workforce. But the Conservative Government's Industrial Relations Act of 1971 broadly outlawed closed shops and changed this. Electricity's closed shop was no longer operated—although the unions persuaded the management not to strike the relevant clauses from the national agreement—and the Electricity Supply Union gained a new lease of life.

It mushroomed from 100 or so members to an estimated peak of 7,000 but was still rejected outright by the now defunct National Industrial Relations Court for not being a viable rival to the established TUC unions. "There is no evidence that the ESU has the resources in experience or finance which a union needs if it is to sustain an effective role," said the NIRC in 1972.

Then the Conservatives were defeated, the IR Act was repealed, and the electricity unions agreed with the management nationally that the old closed shop should be reintroduced towards the end of 1974.

But it was not reintroduced with the original harmony. This was partly because the ESU was still thriving in certain parts of the country and openly flouted the closed shop arrangements. But perhaps more important was a basic change of attitude towards breakaways among the TUC electricity unions—a change common to TUC unions in other industries. Basically their experiences under the IR Act had underlined for them the potential trouble that breakaways could cause. They had therefore, to be killed off.

In practice, this meant that the TUC unions refused to update a clause in their 1969 agreement exempting existing non-unionists a fairly common approach formerly adopted to soften the impact of new closed shops on existing workforces. All electricity workers had therefore to join one of the four TUC unions—although this did not debar them from parallel membership of the ESU. The dissidents still claimed that the four TUC unions, with their general interests in many industries, were not properly looking after their electricity members' interests. In fact, there seems to be some justification for this complaint because the unions involved are sometimes criticised by others within the industry for not communicating with, and involving their members enough, so leaving the door open for rival organisations such as the ESU.

Eventually, after a lot of local infighting in power stations, leading ESU members, including Mr. Bill Sarvent, its part-time general secretary, were dismissed for not joining the closed shop unions. The Leeds tribunal hearing followed. During this the basic anti-TUC stance of the six was watered down when four of them offered to join one of the TUC unions if they could choose which one—a freedom which the TUC unions, against the background of the TUC's Bridlington inter-union rules, were not prepared to allow.

But this did not emerge as a major issue in yesterday's judgment, which did, however, reject criticism of the administrative method by which the closed shop was reintroduced in 1974. It may also undermine one of the amendments to the Trade Union Act, originally introduced in 1974 by the Conservative Opposition, allowing workers to join "appropriate" unions. The ESU argued that, as a purely electricity supply organisation, it was "appropriate." But Mr. Smailes shied away from accepting this argument. Instead, he was repeatedly scathing about the ESU's members, describing them as "unyielding and irritant types of individuals" capable of "further irresponsible conduct" if they were reinstated at Ferrybridge. It was against this background that he discharged his basic duty to hand down judgments conducive to the encouragement of good and peaceful industrial relations and decided that the men should receive compensation alone and not their jobs back.

Lesson

One industrial relations lesso, therefore, is that breakaways may well have a problem if their opponents can successfully argue they are disruptive to good industrial relations The second lesson stems from the fact on which Mr. Smailes based his judgment—that the closed shop was not being efficiently operated and therefore could not be held to be an established practice. This view rested on evidence that there were several hundred non-unionists who were not being hounded by the TUC unions, that there was some doubt about the responsibilties of shop stewards within the agreement, and that the management had not laid it down that recalcitrants would be dismissed.

The moral here is that closed shop agreements which affect workers' livelihoods need to be run efficiently as well as fairly. A dispute involving less "irritant" breakaways and more efficient managements and unions might well have a different ending.

This leaves the "reasonable grounds" issue — the point which the Government is now trying to remove from the law and the point which Mr. Smailes has dealt with in his secret envelope. The tribunal was told variously that the AUEW was the best union, that the GMWU was not suitable for certain grades, that the ESU was the only effective union, and that TUC unions are unacceptable because of their political affiliations.

The arguments here, however, were on matters of detail rather than major points of principle, and supporters of closed shops would argue that the stable industrial relations that can flow from such arrangements over-ride such points. The debate about the closed shop will, therefore, continue, with yesterday's 20,000 words from Mr. Smailes adding more to the debate about detailed industrial relations practice than about the rights of the individual at work.

Letters to the Editor

…ck way to …e homes

…D. Morris.

…n January 25 you re… …Mr. Frank Allaun as …ere are 800,000 flats and …ing empty and that this …onal scandal.

…ars Parliament has pro…re and more legislation …t an ever decreasing …of private tenants. Sixty …o 80 per cent. of the …ere provided by private …compared with only 17 …now. Before the legis…bark on making more …they should consider …ge they have already …

…f the owners of the …ses and flats would I …ike to see them occu…producing an income. …t should amend exist…tion to enable the pri…es and flats to be let. …t and quickest way to …properties occupied is …landlords to let their …t market rents and on …ly negotiated between …. This would not affect …nancies.

…g the vacant proper…an average value of …ch the total value of …sed accommodation …£5bn. This is an esti…e assets which legal …ve removed from the …hanges in the law now …e most of these homes …cupied before next …people without accom…ould be able to obtain …rental pressure on …nants would tend to …

…ational scandal being …Parliament and it is …that Parliament fully …s this. Requisitioning …ld be the final throw …y of 60 years of mis…egislation. I hope …will examine the …refully and not resort …ne measure to paper …candal which it has …

…orris.
…Co.,
…uare, W.1.

…ts of …aws

…Atkin.

…Mr. Hanson points …letter on the Com…d Act (January 29) …practice of the …ory in this area is …pposite effect to that …

…well known that the …to the tenant by the …ave caused an in…homelessness and …he housing problem. …if Mr. Foot now …his recent job pro…lation, far from re…ployment will serve …ase it. As a manu…ployer I can state …that my firm would …e employing more …these measures not …

…if other employers …this view.

…n.
…ane, N.W.3.

…imum

…Howell, MP.

…your leader of …u summarily reject …or a national mini…n the grounds that …ase industrial costs …ment.

…attitude taken by most observers in Britain to-day. But in my view the evidence is by no means so convincing as you suggest, and merits far more intensive study.

The rate of inflation in France, Canada and the United States (all countries which operate a statutory minimum wage) is less than half the rate in Britain. These countries all have strong economies, with strong currencies and records of economic growth well in excess of our own. Their costs have remained competitive while ours have not. Unemployment is higher in the U.S. and Canada than in Britain, but this can in part be accounted for by differences in the way the statistics are collected (by sample survey), as well as by the fact that recession hit the U.S. before ourselves—their unemployment is now going down while ours is still moving up. There are many different factors to be taken into account when comparing rates of unemployment. Overmanning in Britain, for instance, which is encouraged by low wages and subsidised by our system of means-tested benefits, is no more than unemployment in disguise.

One fact is abundantly clear. Our system of Wages Councils has failed dismally to protect the living standards of the low paid. During the six months preceding introduction of the £6 pay limit in August 1975, the great majority of wage agreements involving Wages Councils set minimum wage rates of under £25 for a full week's work, that is less than the value of Supplementary Benefit for most families.

Revival

What Britain needs is an active, dynamic wages policy. High wages and high productivity should go hand in hand, with the one paying for the other. Economic revival will depend far less on improved planning procedures than on the efforts of each working man and woman, for whom restoration of incentive will be the determining factor.

Naturally there are problems inherent in any policy which seeks rapid increases in the wages of one sector of society. But this does not mean that it cannot be done. Increased costs, provided employers are permitted to pass them on to the consumer, provided Government does not attempt to subsidise them out of printed money, and provided they do not result in higher wages across the board, need not be in inflationary, and the effects on employment will be minimised. There need be no increase in aggregate demand, merely a redistribution of effective demand to the low paid.

Two conditions must be fulfilled. First, general acceptance of some narrowing of differentials in gross pay. Second, increased mobility of labour, with fewer restrictive practices, greater willingness by individuals to move to new jobs and vastly increased training facilities to enable them to do so.

Unfortunately, so long as we continue to operate our present idiotic tax and welfare system, these conditions are hardly likely to be fulfilled. When a man with four children on a gross wage of £55 a week has only about £3.00 more spending power than a man earning £30 (also with four children), he is unlikely to accept further narrowing of differentials. As far as he is concerned they are already minimal. This state of affairs is the direct consequence of excessive tax and National Insurance liability on the one hand, coupled with the spread of means-tested benefits on the other. Reform is an essential precondition to the successful introduction of a national minimum wage.

For nearly 20 years the French operated a national minimum wage which failed to improve the relative position of the low paid. Their reformed system, introduced in December 1969, ties the new "minimum growth wage" to both the cost of living and average real wages. Since 1970 each increase in the minimum wage rate has been used to bring it closer to the average wage, with no disastrous effects upon the economy.

In contrast to the depressing and negative British approach, which condones wage levels below the official poverty line, provided only that they are supplemented by innumerable means-tested benefits, the French have evolved a dynamic wages policy, which forms an integral part of the general movement towards expansion. They are using their wages policy to encourage mechanisation and industrialisation, for the occupational advancement of the wage earner, and for the improvement of collective bargaining procedures.

Is this not the type of approach which could transform the British economy?

Ralph Howell,
House of Commons, S.W.1.

Pay policy dilemma

From the Vice-President (Pay and Employment Conditions), Institute of Personnel Management.

Sir,—Samuel Brittan has made very clear his belief that all our effort to create and sustain an incomes policy is irrelevant to the achievement of national economic objectives. But much of what he wrote on January 29 is very relevant to the current debate exercising those organisations and individuals who are convinced that we need to continue the voluntary limitation on income increases, probably for a few years, to reduce the rate of inflation.

There is, I believe, a serious risk that some of those concerned to get such an agreement will make that impossible by trying to achieve too much in the next round. As Samuel Brittan has shown, the inflation rate over the five years before 1974 was 7½ per cent. and the NEDO study just published has provided evidence that our economy has suffered less from fluctuation than is generally supposed. Certainly, we must not be complacent about our past record, but against this background it must surely be tilting at windmills to strive for a 5 per cent. inflation rate within the next round. The Institute of Personnel Management has suggested as a basis for discussion that income increases in the next round should be limited to a maximum of £3 per week plus 5 per cent., on the assumption that the inflation rate would have been reduced to about 15 per cent. by mid-year. It now seems that we shall have achieved a lower inflation rate by then and that the prospects of getting it down to 10 per cent. by the end of this year are much better than was considered likely a few months ago.

If this can be achieved, income increases might reasonably be limited to an average of 8 per cent. in the next round. This could be ensured by setting the maximum increase at about £2.40 per week plus 4 per cent. One of our concerns must be to protect the lower paid so far as is practicable, and this formula would provide an increase of 12 per cent. at the £30 per week level. Some lower paid would still find that their real incomes were not being maintained, but the most important determinant at this level will be the decisions that the Chancellor must soon make on the tax threshold and family benefits.

G. J. Mepham,
Central House,
Upper Woburn Place, W.C.1.

Engineering unions

From The General Secretary, The Association of Supervisory and Executive Engineers.

Sir,—Mr. Ken Gill (February 3) argues that neither ASEE nor the U.K. Association of Professional Engineers nor the Association of Professional Scientists and Technologists can "provide professional engineers with full trade union representation" but, by implication, his union can. He also believes that we are weak, unable to do the job and, in any event, unlikely to obtain a certificate of independence.

Mr. Gill's union lacks neither the contacts nor the resources with which to communicate to professional engineers his view about us and that he has the best services to offer. Why, then, does he bother about us?

Is it possible that some doubt exists in his mind? Can it be that professional engineers might believe that they would not be well served by his union and prefer to be represented by associations which more truly reflect their status, their outlook and their aspirations?

Such staff have hitherto been very reluctant to join any unions but spurred on by the threat of "closed shop" sanctions they may take notice of the advice given by their own professional leaders and exercise choice while they are still free to do so.

When given the choice—the senior staff in ICI showed recently that they prefer an independent professional association to represent their collective interests.

Denis Sweaney.
Wir Hill House,
West Horsley, Surrey.

Critical paths

From Mr. J. Argenti

Sir,—The conclusions that Lex (January 30) draws from the London and County's failure are quite right of course; certain accounting practices ought to be tightened up. But virtually every company that is failing employs "creative accounting" techniques so no matter how much you legislate against this or that particular method proprietors will always find new ways (not necessarily illegal) to bamboozle everyone including their auditors and bankers. In a forthcoming book I list 18 methods—but new ones are continually being brought to my notice.

It really is quite useless for anyone to rely on financial figures to warn of the approach of failure but everyone keeps on doing this and I despair of the lesson being learnt—I suppose it is because most company watchdogs have a financial background.

There are other much more reliable warning signals; in the case of what I call a Type II failure there are two that are quite unmistakable. One is the super-dynamic entrepreneur who dominates his company from start to finish—you won't find anyone quite like him in a non-failing company or in Type I or Type III failures. The other is their absurd rate of growth; Type II companies become so large and go on growing so fast that in a year or two they would overtake ICI. I have just made a rough calculation which shows that L and C would have done this in 1976 and its assets would have touched £4bn. by 1977. Such a performance is absurd and can often be seen to be so long before the crash comes and long before any financial symptoms appear.

No other company follows this bizarre failure-path. Type Is make up 60 per cent. of all failures; are usually very small and fail without ever having got off the ground. Type IIIs are large mature companies which fail after several years of slow decline.

John Argenti.
Pettistree Lodge, Woodbridge, Suffolk.

Disparity in pay

From the Deputy General Secretary, Institution of Professional Civil Servants

Sir, — The letter from the vice-president of the Institute of Personnel Management (January 21) on the — alleged — disparity in pay betwen the public and private sectors contains a number of errors of fact. He says, for example, that "almost all" graduates entering the scientific civil service reach the principal grade and get to the top of the scale (£7,205 per annum) before retirement. This is not the case. On the most favourable interpretation it is true of little more than 50 per cent. of graduate entrants. The Civil Service Commission's recruitment literature "Careers in Government Service" is even more cautious. It says only "most direct entry scientific officers will reach senior scientific officer (maximum salary £5,778) and the best will go higher." In the civil service, as in industry, advancement and rate of progress depend on the ability of the individual and the needs of the work. Scientific graduates in the civil service have to satisfy no less than three promotion boards to progress from scientific officer to principal scientific officer. There is certainly no automatic progression.

Mr. Mepham is of course right in pointing to the special difficulty in establishing external fair comparisons in the scientific area. The problem of comparing like with like lies at the heart of the long standing dispute between the Institution of Professional Civil Servants and the civil service department on pay for the science group. Nevertheless the figures he quotes in industry do not support the disparity he claims to observe.

C. Cooper.
Northumberland Street, W.C.2.

Upside-down

From The Managing Director, Ersel Executive Selection.

Sir,—Reading in the Financial Times the other day about the threatened dismissal of a white-collar employee of British Rail for refusing to join a union (under the industry's closed-shop agreement), I was struck by the incongruity of this in the face of the recent legislation to protect employees against unfair dismissal, which many of us think has gone too far. Penalising a man for his freedom of choice is unfair dismissal indeed in the moral sense, but presumably not in the legal sense. This Socialist legislation is turning our moral standards upside down.

John G. Fenwick.
62, Poplar Road, Solihull, West Midlands.

To-day's Events

GENERAL

National Economic Development Council meets.

Industrial Development Advisory Board representatives give their views on Chrysler rescue package to House of Commons trade and industry sub-committee.

Mr. Alan Williams, Secretary of State, Prices and Consumer Protection, meets Petroleum Retailers' Association and Motor Agents' Association on petrol price-cutting.

Mr. Michael Foot, Employment Secretary, meets deputation of dockers' representatives on proposed closure of West India and Millwall docks, East London.

Mr. Albert Booth, Minister of State, Employment, gives evidence on safeguarding employees' rights in mergers, takeovers and amalgamations to House of Commons Select Committee on European Secondary Legislation.

Trade and economic delegation led by Mr. Douglas Anthony, Australian Deputy Prime Minister, begins visit to Japan.

Lord Ryder, chairman, National Enterprise Board, at Newspaper Society lunch, Stationers' Hall, E.C.4.

Financial Times two-day conference on Euromarkets in 1976 opens, Royal Lancaster Hotel, W.2.

PARLIAMENTARY BUSINESS

House of Commons: Education Bill, second reading.

House of Lords: Debates on horse racing industry and on closure of flight test centre at Fairford.

COMPANY RESULT

Associated Fisheries (full year).

COMPANY MEETINGS

Gleeson (M. J.) (Contractors), North Cheam, Surrey, 12.

Glenmurray Investment Trust, 8, Crosby Square, E.C., 3.50.

Hanson Trust, Great Eastern Hotel, E.C., 11.30.

Lombard North Central, Lombard House, W., 2.30.

London Scottish American Trust, 2, St. Mary Axe, E.C., 2.15.

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COMPANY NEWS + COMMENT

Westinghouse profit expands to £3.45m.

SECOND HALF pre-tax profit of Westinghouse Brake and Signal increased from £1,436,000 to £1,919,000 against a forecast of not less than the £1,535,000 for the first half, giving a total profit up from £2,366,000 to £3,454,000 for the year to September 27, 1975. Turnover expanded from £36.95m. to £53.21m.

In 1974-75 exchange differences arising on translation of fixed assets of overseas subsidiaries have been taken to reserves. Differences arising on translation of other assets and liabilities of overseas subsidiaries are included in the profit and loss account and comparative figures have been restated on this basis. Exchange gains included in trading profit were £222,000, compard with a previous loss of £184,000.

Stated earnings per 25p share, excluding extraordinary items, advanced from 2.4p to 4.4p, and the dividend is stepped up from 1.62245p to a maximum permitted 1.77142p net with a final of 1.05575p.

Group sales and trading profit includes £3.57m. and £94,000 loss respectively for Partridge Wilson and Co. which became a subsidiary in July, 1974. In the comparative figures the group's £34,000 share of that company's trading profit is included in associated companies.

The extraordinary item consists of £73,000 costs less £31,000 tax relief arising on the partial discontinuance of the business of an Australian subsidiary. In 1973-74 the extraordinary item covered the release of a provision for reorganisation in the Australian subsidiary.

	1974-75 £000	1973-74 £000
Group sales	53,210	36,945
Trading profit*	3,630	1,946
Share associates	1,827	1,041
Group interest	1,095	443
Share associates int.	177	176
Profit before tax	3,454	2,366
Taxation†	1,387	1,258
Minorities	4	172
Extraordinary debits	42	††440
Attributable	1,821	1,480
Interim dividend	288	270
Final	451	422
Retained	1,082	788

* Includes exchange gains relating to overseas subsidiaries £222,000 (loss £184,000). † Group U.K. including £686,000 deferred by stock relief etc., £760,000 (£650,000); overseas £855,000 (£265,000); credit deferred tax adjustment arising in Australian group £270,000 (nil); share associates U.K. £358,000 (£374,000) and overseas £58,000 (£59,000). ‡ Loss. †† Credit.

● comment

Westinghouse's full-year profits of £3.45m. are as much as a tenth above outside estimates, and the shares rose 2p on the figures to 39p where the yield is 7 per cent. A large slice of the recovery has stemmed from overseas (the relevant tax charge is nearly 150 per cent. higher) and Australia in particular has come right. The move into the U.S. has taken longer toreach break-even than had been expected and there will still be some loss-making contracts to clear this year. But having established a foothold in the U.S., Westinghouse should be able to take part in the potential offered by the current expansion plan there. At home the electrical areas, taking in semi-conductors and rectifiers, have been difficult, and while there is still plenty of work on hand at the brake and signal divisions for British Rail, the group recognises the need to develop overseas markets. If, in the face of massive oil costs, European Governments are ready to enter a phase of investment in railways, Westinghouse could be poised to shake off its indifferent profits performance of late.

HIGHLIGHTS

Taking in currency savings BAT's figures are well in line with expectations but the tobacco division has shown a firm trend towards the end of the year. Completing the Lex column is Dowty where profits are well up at the half way stage with a forecast of a substantial increase for the full year, thanks to the strength of the mining and aviation divisions. A sharp reduction in interest charges at Wagon Finance has boosted profits while the dividend payout is doubled. With recovery overseas Westinghouse Brake has left outside estimates well behind but J. Saville Gordon has suffered from a decline in both supply and demand in the first six months.

Unitech off £0.14m. halfway

ON A VIRTUALLY static turnover of £8.99m. compared with £8.8m., profits of Unitech fell from £680,600 to £540,800 in the half-year ended November 29, 1975: but the directors are confident the shortfall for the rest of the current year will be proportionally less than this.

Chairman Mr. P. A. M. Curry explains that the lack of sales growth reflects the difficult trading conditions in the electronics industry, where reduction in stock levels has particularly affected component marketing.

This sub-group has been largely responsible for the lower half year profit, with much of the decline taking place in Germany.

Steps have been taken to strengthen the German company and the group has secured the Motorola semi-conductor franchise in that country. The chairman says there are signs that the run-down of stocks in the electronics industry is coming to an end, but there is not yet any firm indication on improvement in final demand. He expects that the recovery may well follow an uncertain pattern.

First half earnings per 10p share are stated to be down from 4.4p to 3.8p. The interim dividend is 2.275p compared with 2.345p net—equal to an unchanged 3.5p gross. For the year ended May 31, 1975 a total of 6.076p was paid from profits of £1.36m.

A one-for-one scrip issue is proposed to holders registered February 27. This will increase the capital to £1.29m. and will permit the shares to qualify for trustee status now that the company is in its fifth year of dividend payments.

	Half-year 1975	1974
External sales	8,990,000	8,799,000
Trading profit	672,000	836,900
Interest charges	131,200	156,300
Profit before tax	540,800	680,638
Taxation	261,000	358,000
Net profit	239,800	314,600
Minorities	1,000	10,150
Notional interest	15,000	20,000
Attributable	244,700	284,300
Preference dividends	1,000	1,000
Ordinary	146,700	151,300
Undistributed	97,900	133,003

The 1974 half-year figures have been restated in line with the last annual report to bring in full profits of Appliance Components. Notional interest on consideration for the outstanding 65 per cent. of the shares acquired from June 3, 1974, paid on October 30, 1975, has been deducted in arriving at the attributable profit.

● comment

Loss of volume in component marketing, particularly in its German company which returned a loss, has pushed Unitech's pre-tax profits a fifth lower at the interim stage on sales only 2 per cent. higher. A severely reduced minorities charge indicates that business on the manufacturing side—just over one half of turnover—has been, at least patchy and that FRD's Continental TV back contracts, for example, have not fully offset the downturn at home. A 10 per cent. fall in the second half, aided by new franchises in Germany, would produce pre-tax profits of £1.35m. for the year, but because of a return to a normal tax charge (55 per cent. last year), lower minorities and a smaller figure for notional interest, earnings per share may emerge little changed at just under 10p. As the company probably does best at the tail end of a boom and in the early stages of a recession, any firm pick-up in volume and profitability may still be some way off. The market, at any rate, was unimpressed by the results and at 103p, down 7p last night, the yield on a maintained gross dividend is 9.2 per cent., covered roughly 1½ times.

Wagon Finance recovery

SECOND HALF profits of Wagon Finance Corporation showed a further recovery—from £344,572 to £971,528—pushing the total for the year 1975 up to £1,438,305. This represents an increase of £911,819 on the previous year and compares with £1.34m. achieved in 1973. Earnings per 25p share are stated to be up from 3.19p to 7.23p.

With Treasury permission the dividend is stepped up to 3p compared with 1.5p in 1974 and with 2.8875p in the year before. There was no interim, as before.

	1975 £	1974 £
Turnover	7,894,991	7,681,978
Profit before tax	1,438,305	526,486
Interest charged	2,706,962	4,035,267
Taxation	729,394	213,474
Net profit	709,911	313,012

● comment

An improvement in margins and turnover in Wagon Finance's second half, leaving trading profits only 9 per cent. in arrears, on the year, and a drop of a third in interest charges, have combined to lift pre-tax profits by 173 per cent. This, together with a doubled net dividend payment, pushed the share price 10p higher to 54p last night, where a yield of 9 per cent. is covered 2.4 times. The bulk of the poor 1974 lending experience has been absorbed and the improvement in second-half margins also implies some stickiness on the rates front. Gearing has been further reduced from last year's conservative 4:1 ratio, as a result of a cautious attitude to new motor business. The group remains dependent on its bankers for deposits, although involvement in the "lifeboat" has been much reduced—at no great savings in interest costs, it is claimed.

Small drop at Saville Gordon

TURNOVER OF J. Saville Gordon Group dropped sharply from £16.33m. to £9.48m. during the half-year to October 30, 1975, but pre-tax profit was only slightly lower at £0.39m., compared with £0.41m. —"a wonderful achievement during a period of such low industrial activity," according to chairman Mr. J. D. Saville.

He states that trading conditions for the second half are "not dissimilar" to the first, but it would appear that de-stocking by customers is almost over.

He will be "disappointed" if profits for the full year are significantly less than the record £0.84m. achieved during the 12 months to April 30, 1975.

The interim dividend is stepped up from 0.64p to 0.7p net—a director and his wife have waived payment on 1m. shares. Dividend total for the year 1974-75 was 1.4664p.

	Half year 1975 £	1974 £
Turnover	9,481,823	16,331,747
Pre-tax profit	390,864	412,356
Taxation	203,249	214,425
Net profit	187,615	197,931
Attributable	187,512	196,651
Dividends	29,367	31,435

● comment

A decline in volume trading in the first half for J. Saville Gordon was the result of a slump in both demand and supply during the industrial recession. And although the chairman now sees signs of an end to de-stocking by customers, a real upturn in business cannot be expected to take place until possibly well into 1977. Meanwhile, however, support from two new outlets in Wales contributing for the first time to the latest figures, coupled with only a 5 per cent. profits fall at the interim stage, has given confidence that full-year results this year will not be appreciably lower than those for 1975. These hopes are expressed in the interim dividend, indicating a maximum total of 1.6p net to give a yield on the share pice of 35p of 7.2 per cent. Assuming earnings not much changed from last year, the cover would be around five times.

Terry Kirk

Sir Richard Dobson, chairman of British American Tobacco which reports an increase from £117.27m. to £136.95m. in net attributable profits for the year ended September 30, 1975

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year.	Total last year
Abbey	int.	0.5 (a)	Mar. 25	1	—	2
Bond Street Fabrics		1.85	April 14	1.7	2.6	1.7
British-American Tobacco		4.32	April 1	3.92	11.07	10.42
British-Amer. Tobacco	int.	3.5	April 1	3	—	11.07
Claverhouse Trust		2.75	Mar. 2	2.6	2.75	2.6
Dowty Group	int.	2.7	Mar. 31	2.59	—	5.03
Glass & Metal		2.5	Mar. 26	2.35	2.5	2.35
Intnl. Trust Jersey		3.5 (a)	Mar. 26	3.5	6	6
MIM Holdings	int.	1.5(b)	April 8	3	—	10
J. Saville Gordon	int.	0.7	Mar. 18	0.64	—	1.47
William Sommerville	int.	0.5	—	0.88	—	2.45
United	int.	2.28	April 1	2.35	—	6.08
Wagon Finance		3	April 2	1.5	3	1.5
Westinghouse		1.06	April 2	0.99	1.73	1.62

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross. (b) Australian cents.

More from Glass & Metal

THE SATISFACTORY profit increase in the year to October 31, 1975, foreshadowed last July for the Glass and Metal Holdings group turns out to be from £610,864 to £673,684 at the pre-tax level. The first-half balance was up from £231,453 to £326,981.

Stated earnings per 10p share have advanced from 7p to 8.1p and the net dividend is lifted from 2.35p to 2.5p, equal to a maximum permitted gross 38.5 per cent., against 35 per cent.

	1974-75 £	1973-74 £
Group turnover	4,609,064	3,990,015
Profit	673,684	610,864
Net profit†	330,980	497,259
U.K. tax charged*	349,000	326,646
Attributable	326,003	473,688
Dividend	98,761	92,535

* Including equalisation. † Includes a special credit £6,296 surplus on sale of leasehold.

The group operates as glass merchants, showcase makers, steelwork contractors, precision engineers, etc.

● comment

After significantly increasing margins in the first six months Glass and Metal Holdings was unable to hold off increased costs in the second half when profits dropped by 9 per cent. before tax on a 13 per cent. increase in sales, within which volume was also easier. The group reckons, however, that this was just a hiccup. Demand in the current year is once again pointing upwards—the group avoids the more volatile areas such as glazing for the *housing sector—and G and M* should soon start to feel the benefits from a complete re-pricing exercise. This paints a fairly optimistic picture of the immediate growth prospects and the group which still has strong cash resources (around £700,000—against £544,000 in the last accounts) is now on the look for acquisitions to strengthen its glass activities. That leaves the shares at 64p, yielding 6¼ per cent., covered 3¼ times, looking soundly-based.

Country & New Town

VIRTUALLY unchanged pre-tax profits of £137,000, against £139,000 are announced by Country and New Town Properties for the six months to July 31, 1975—for the previous full year the figure was £660,375.

First half tax absorbs £71,000 (£72,000), leaving £66,000 net, compared with £67,000. Minorities amount to £20,000, against £17,000.

For the full year 1974/75 a one-only dividend of 0.65p net was paid.

The directors report that there were no profits from property dealing during the half year.

Heavy interest charges have again been incurred but consistent with the present policy, certain investment properties have been sold with the object of reducing short-term indebtedness.

The overseas subsidiaries "continue to contribute profitably."

Statement, Page 8

Further Spreckley talks

To-day appears certain to bring clarification of the future for Charles Spreckley Industries, the property development and contracting concern whose share quotation was suspended on Monday, pending the outcome of discussions with its bankers.

Further urgent meetings continued throughout yesterday between the company and its bankers. These are the National Westminster Bank, which has some £4½m. in loans outstanding to Spreckley's specialist contracting side, where the present problems mainly reside, and Slater Walker. SW has some £6.6m. on loan to Spreckley and further very substantial loans to Cambourne Securities, Spreckley's parent company, which is a private investment concern owned by Mr. Jack Walker, the Spreckley chairman, and his co-director, Mr. Ramon Greene.

Mr. Walker said yesterday: "To-morrow will be the crunch day. We've said we can't continue like this: it must be settled one way or the other to-morrow." On Monday he had stated that, if the National Westminster did not increase its borrowing facilities, it was likely that the parent would have to ask the bank to appoint a receiver.

Peat Marwick Mitchell have just been called in as accounting advisors to the National Westminster. Slater Walker is advised by merchant banks Hambros Bank and N. M. Rothschild and Sons.

It became known yesterday that *Mr. Jack Griffiths*, had resigned about a month ago as a Spreckley director. Mr. Griffiths, who had previously been a general manager of the National Westminster, had asked to be released from Spreckley because of increasing other business responsibilities, Mr. Walker said.

Sharp fall at Beyer Peacock

AFTER PAYING £28,000 in respect of compensation for loss of office Beyer Peacock and Co. (light engineering) made a reduced profit of £30,740, against £92,825, for the half year to September 28, 1975. Turnover slipped from £3.03m. to £2.98m.

Earnings per 5p share are shown to be down from 0.66p to 0.18p before extraordinary items. In view of the importance of conserving cash resources there is again no interim dividend—the directors say that the level of the year's dividend will depend on second half results and on the general economic prospects at the time. Last year's final payment was 0.1625p net from profits of £120,000 before tax.

The directors state that although Richard Garrett and Brecknell, Willis, continue to trade profitably, no full-scale recovery in profits will occur until losses at Space Decks are replaced by an adequate return on capital employed.

The half-year profit fall was caused by the continued depression in the U.K. construction industry aggravated by management problems at Space Deck.

King & Shaxson
Limited
52 Cornhill EC3 3PD
Gilt Edged Portfolio Management Service Index 3.2.76

Portfolio I Income	Offer	88.56
	Bid	88.05
Portfolio II Capital	Offer	113.35
	Bid	112.64

ISSUE NEWS

Ireland Alloys placing

BY TERRY GARRETT

Noble Gossart has completed arrangements for a £680,000 private placing, mainly with Scottish *institutions, of hsares in* Ireland Alloys (Holdings), an unquoted company engaged in processing alloy scrap metals.

Ireland Alloys has entered into a £1m. expansion programme in the U.S. and U.K. which, if financed by the company, would have resulted in overstretched gearing. So, £½m. of the placing will be used along with other available funds to finance these projects and leave gearing below 100 per cent.

The move into America will be the setting up of a stainless steel processing operation. Along with other non-ferrous metals, in Chicago. This new company, Astromet Inc., is being developed in partnership with two local executives active in that industry.

Ireland Alloys' pre-tax profits have more than trebled to £384,000 in the three years to *August 31, 1975 and exports on* average account for 30 per cent. of business. The new U.S. venture is expected to open up a very sizeable potential in the international markets.

Mr. Austin Merrills, chairman and chief executive, said last night that while he could foresee a stage when the company would find it desirable to "go public" it was unlikely the directors would need to think about it for another three years or so. Certainly not issue was expected this year.

SHORT-TERM LOCAL LOANS

The coupon rate on this week's issues of local authority yearling bonds has eased a further ¼ of a point to 10¼ per cent. this week. The bonds are due on February 9, 1977, at par.

This week's issues are:—Reading Borough Council (£1m.), Wokingham District Council (£½m.), Middlesbrough Borough Council (£½m.), Warrington Borough Council (£½m.), South Hertfordshire District Council (£½m.), Lothian Regional Council (£½m.), Ettrick and Lauderdale District Council (£½m.), Redditch District Council (£½m.), West Yorkshire Metropolitan County *Council (£¾m.), Bolton Metro*politan Borough Council (£½m.), Cambridge City Council (£½m.), Borough of Poole (£½m.), Borough of Sunderland (£1m.), Meirionnydd District Council (£½m.), Waveney District Council (£1m.), Borough Council of Gateshead (£½m.), Bradford Metropolitan District Council (£½m.), Borough... Peak (£½m.), Hove... Council (£½m.), Stroud... Council (£½m.), ... District Council (£½m.), ... field District Council ... City of Glasgow District ... (£2m.), London Borough ... Hackney (£1m.), Thanet ... Council (£½m.), Trafford ... Council (£½m.).

Swale District Council ... Royal Borough of Kensington ... Chelsea have raised £½m. ... respectively by the issue ... per cent. bonds due Feb... 1978, at par, and Knowsley ... politan Borough Council ... raised £½m. by the issue of ... cent. bonds due August ... at par.

Energy Finance goes public

Energy, Finance and ... Trust, a financial company ... last August by Mr. Denn... way following his departure ... the Board of bankers, ... Bates, has become a public ... pany.

EFG, which has interests ... North Sea, has issued ... Ordinary shares, which will ... the Board with 60 per cent ... enlarged equity, with the ... ing 40 per cent. of the ... equity in the hands of a ... of outside investors.

In addition, the 210,000 ... ence shares issued will ... have certain voting rights ... are converted to equity, the ... will still retain a 40 per ... holding.

EFG made a bid at the ... last year for First Talisman ... ments. It intends to main... quotation for that co... although it was emphasised ... night that EFG would be the ... representative of Mr. Bar... interests. Mr. Richard Stab... formerly of Eldridge Stab... is also a director of EFG.

THE NEW THROGMORT...
TRUST LTD.
Capital Loan Stock Valuatio...
3rd February, 1976
The Net Asset Value per £...
Capital Loan Stock is 0.87p
Securities valued at middle ma...
prices.

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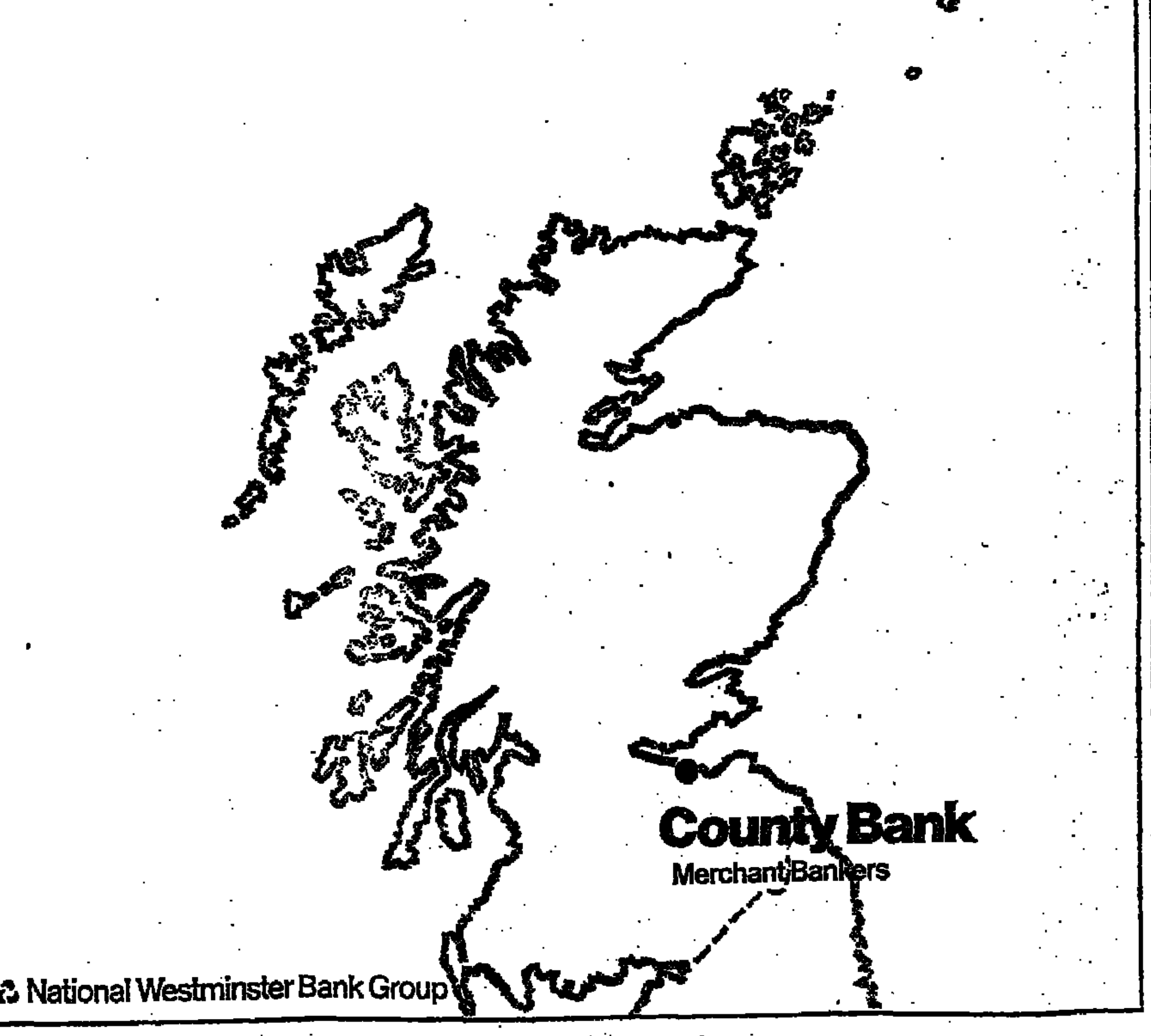

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كاملة الأصل

[D]owty midway [u]psurge

REFLECTING an in[crease] in turnover in both the [aerospace] and mining divisions of [the] Group first-half sales [rose] from £41.98m. to ... and pre-tax profit from £4.2m. to £5.1m. ... aller divisions, hydraulic [and] industrial hydraulics, some reduction in de[mand] ... to the lower level of activity both at home [and overs]eas, the directors state. [The gro]up's forecast indicates [that the] rate of turnover and ... the year, they add. ... for the year to March was £94.85m. and profit ...

... per 50p share are ... have risen from 6p to ... first half. Margins ... from 10.1 to 10.9 per [cent.]

... interim dividend is ... from 2.59p to 2.7p net ... half the present per[missible] maximum for the year. ... a total was 5.03p.

	Half-year 1975 £000	1974 £000	Year 1974-75 £000
...	38,976	26,354	60,753
... export	20,097	15,124	34,098
...	59,073	41,478	94,851
...it	6,445	4,246	9,748
...	293	46	292
...	6,152	4,200	9,456
...	3,172	1,982	4,570
...	2,959	2,218	4,886
...dits	—	—	18
...	1,011	959	1,872
...	1,969	1,259	3,032

See Lex

[Ven]esta [subs]idiaries' [recept]ion

[Talks ha]ve taken place about [th]e acquisition by other ... of the two trading sub[sidiaries of] Venesta International ... and packaging concern ... a receiver has been ...

[The] subsidiaries in question [are Venest]a International Packag[ing and] Venesta International [Component]s.

[...] r of the receiver, Sir [...]ardie, of accountants [...]son, said yesterday: [...]ver is satisfied that [...]ing subsidiaries are [...]fitably, with a positive [...] and there is consider[able interes]t in the acquisition of these subsidiaries by substantial U.K. companies.

The Board of Venesta International, in which Williams Hudson has a 46.9 per cent. share stake according to the last published accounts, announced on January 30 that it had invited its U.K. bankers to appoint a receiver.

Yesterday, Mr. G. R. Daykin, managing director of Venesta International Components, said his company was in a healthy and profitable situation and would continue to trade as normal.

Acrow set for record profit

ANNOUNCING HIS plans to step down as managing director of engineers, Acrow, Mr. W. A. de Vigier forecast another increase in profits for the year to March 31, 1976.

He said the group was having "another record year" and second-half profits would be better than last time.

Sales from the U.K. factories in the ten months to January 31 had increased from £58m. to £77m.

Mr. de Vigier said that in his new role he would still keep a strict eye on capital expenditure in co-operation with the managing director, but he would be devoting more time to expansion overseas.

He revealed that the group planned to open a new factory in Brazil and hoped to co-operate with an American company on a local manufacturing scheme in the U.S.

Incoming managing director, Mr. W. Jack said he believed the real value of Acrow's profits would increase "by a considerable percentage" in the next few years.

Mr. de Vigier added that the company was not thinking of making any acquisitions for the next two years as it had so much land around its own factories for expansion purposes.

Capital expenditure in the U.K. over the next three years was put at £8.5m.

See Appointments Page 20

[Ra]glan's accounts [qu]alified

Deloitte and Co. have ... separate qualifications [on the a]ccounts of Raglan [Property T]rust, which as known, [made a los]s of £1,536,000 in the [year to Ma]rch, 1975.

[The acco]unts, they write, have [been prepa]red on the basis of [the group] being a going concern [and assume] that the group's prin[cipal bank]ers will continue to [provide su]pport for the forsee[able future]" on the terms of a [loan a]greement signed in [March 1]975, and that arrange[ments will] be made to discharge [£...]5m. of liabilities not [covered by] this agreement.

[In the a]bsence of continued [support or] satisfactory arrange[ments bein]g made, the going [concern bas]is would be invalid [and provisio]n would have to be [made for an]y loss on realisation [of the com]pany's assets which ...

[The secon]d qualification con[cerns proper]ty valuations. With[out an ind]ependent valuation, [the auditors] say that in the un[certain state] of the market they [cannot asses]s the value of the ... properties, or [whether an]y provision against [them should] be made.

[The thir]d concerns claims [by Compagn]ie Fonciere says it [has re]lating to the sale of [Ragla]n's French portfolio. [Consequentl]y, no estimate has [been made o]f likely capital gains [tax liability] on future sales of [p]roperty.

[Because of thes]e uncertainties, the [auditors con]clude that they are [unable to for]m an opinion as to [whether the a]ccounts show a true and fair view of the company's position.

In his statement with the report, Mr. Richard Thirlby, chairman, says it is "an indication of the group's prospects of recovery" that new projects are again being reviewed—these would only be undertaken if full outside finance had been secured. He cannot, however, forecast an early return to profitability.

Mr. Thirlby emphasises that the objectives must be to continue to reduce borrowings to more acceptable levels and to increase the value of the remaining assets. and to restore profitability.

These, he says, can be achieved in two principal ways—disposals of selected completed developments and of those properties the development of which is likely to be difficult or prolonged, and by accelerating where possible completion of development of sies now under construction, and to arrive at a devlepoment situation completion of development of sites.

So far as the period under review is concerned some progress has been made, he tells members.

Meeting, Abercorn Rooms, Great Eastern Hotel, E.C., February 26 at 11 a.m.

COUNTY BANK

County Bank, the merchant bank subsidiary of the National Westminster Bank group, announces that its new office at 80, George Street, Edinburgh, is now fully operational. This move into Scotland follows the opening of two National Westminster branches last November in Edinburgh and Glasgow.

[RECE]NT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

MINING NEWS

Suddenly, uranium is all the rage

BY KENNETH MARSTON, MINING EDITOR

IN SOME ways, the mining world is a creature of fashion. Coal, for example, suddenly made a comeback as a result of the advance in oil prices and now, in a world still very much concerned with future energy needs, uranium is in the news highlights.

Following Pancontinental's doubling of its uranium reserves—with a reported "in ground" value of some £5.6bn.—in Australia's Northern Territory and that country's more enlightened review of uranium production and sales policies, various uranium news items reached my desk yesterday from Sydney, Melbourne, Perth, Tokyo, Canada's Elliot Lake, and Montevideo.

Sydney reported that mining of Northern Territory uranium deposits cannot go ahead, until the report of the inquiry into the environmental impact of uranium mining is completed, according to the presiding commissioner Mr. Justice Fox. The inquiry is understood to be required to report by June 30.

In Melbourne, the Conzinc Riotinto of Australia group's IOL Petroleum said that it would sell half its rights in the Westmoreland, Queensland, uranium joint venture with Queensland Mines to Urangesellschaft Australia. This is, of course, a separate deposit from the famous Nabarlek find in the Northern Territory where Queensland Mines is partnered with Kathleen Investments.

As usual the small exploration companies are hastening to get in one the act and so from Perth, my correspondent reported that Kalmin Exploration has claimed to have found encouraging uranium assays at Tank Bore, inland from Carnarvon on Australia's west coast, in a joint venture with Theseus Investments.

Tokyo said that a group of eight Japanese power companies has agreed to a higher price of $21.45 per pound for uranium deliveries this year from Canada's Denison Mines; going rates are more than this, but the increase applies to already contracted deliveries—the group is importing 30,000 short tons of "yellow cake" from Denison over the 15 years from 1969—and last year's price paid was only $14.

Meanwhile, Elliot Lake reported that workers at Denison's properties there have agreed to a 33-month contract similar to that approved by union members at the neighbouring mines of Rio Algom. Montevideo's contribution to yesterday's news was of a country-wide uranium prospecting plan by the Uruguayan Atomic Energy Commission.

Finally, on the London Stock Exchange yesterday Pancontinental ran into some profit-taking and lost 50p to £18¼ while Peko-Wallsend advanced 45p to 510p. Other "uranium issues" held steady with Western Mining at 150p, Ocean Resources 38p and Rio Algom £27¾.

MIM is hard hit

AUSTRALIA'S MAJOR copper-lead-zinc producer, MIM Holdings reports, a not-unexpected fall in earnings for the 24 weeks to December 21. The severity of the fall, however, may have exceeded anticipations, the latest earnings being only $9.34m. (£5.8m.) compared with $34.89m. in the same period of 1974. MIM is thus cutting its interim to 1.5 cents from 3 cents, the 1974-75 total having been 10 cents.

The company points out that its poor half-year results stem from a fall in sales revenue combined with continuing high costs and increased mineral royalties. It is added that until metal markets improve, sales will continue to be below the company's productive capacity. MIM shares fell 8p to 224p yesterday.

POOR HALF-YEAR FOR RENISON

A severe fall in earnings for the half-year to December 23 is reported by the Consolidated Gold Fields group's Renison tin producer in Tasmania. Net operating profits for the latest period come out at $0.88m. (£0.54m.) compared with $2.86m. in the same period of 1974. An interim dividend of 10 cents is declared against one of 15 cents a year ago when a final of 15 cents followed.

During the past six months Renison has had to contend with lower tin prices and export restrictions imposed by the International Tin Council, the latter having cut planned expanded production by 25 per cent. and sales by some 29 per cent. Export restrictions in the current quarter are expected to reduce sales by up to 40 per cent. However, sales will be of high grade concentrates and thus some improvement in profits is expected in the current half year.

AM&S PRODUCES MORE BUT . . .

Higher production is reported for 1975 by the Rio Tinto-Zinc group's Australian Mining and Smelting. The increase has reflected better labour relations coupled with the fact that 1974 output suffered from the lingering effects of the 1973 cave-in at the New Broken Hill Consolidated mine.

Comparative production figures of AM and S for the past two years are detailed below.

	1975	1974
Ore treated (tonnes) ...	1,842,870	1,640,349
Lead (per cent.)	9.3	9.3
Silver (grms./tonnes)...	71.0	71.0
Zinc (per cent.)	12.8	11.7
Production—		
Lead concntrt. (tonnes)	213,492	192,226
Containing:		
Gross lead (tonnes) ...	162,179	146,458
Silver (kilograms) ...	116,373	104,762
Zinc concntrt. (tonnes)	393,740	337,364
Containing:		
Zinc (tonnes)	205,197	176,629

The company's metal sales, however, will have fallen. At the 1975 half-year stage, lower metal prices and sales coupled with rising costs were reflected in a net profit of only $1.75m. (£1.08m.) compared with $16.14m. in the same period of 1974 and the interim dividend was omitted. AM and S is 73.5 per cent. owned by Conzinc Riotinto of Australia which, in turn, is 80.7 per cent. owned by Rio Tinto-Zinc. AM and S shares were 6p down at 134p yesterday.

ROUND-UP

Estimated working profits of South Africa's gold and uranium mines last quarter were R334m. (£189m.) making a total for the year of R1.34bn. (£759m.) compared with the 1974 record of R1.57bn. The past year's figures reflect rising costs, while the effects of a fall in the bullion price during the final quarter of the year will have been offset by higher rand revenue arising from South Africa's devaluation.

* * *

The Consolidated Gold Fields group's U.S. Azcon has reached agreement in principle for the acquisition of Dennen Steel Corporation of Grand Rapids, Michigan. The latter supplies flat steel products principally to the motor industry. Purchase considerations are to comprise $6.5m. (£3.2m.) cash and a further investment in capital equipment which will probably not exceed $1m.

* * *

The strike which started on January 19 at Amalgamated Tin Mines of Nigeria's Benue Plateau properties has been called-off following a union-management meeting which agreed to re-open wage negotiations. Strikes continue at the offshore tin operations in Thailand. of Southern Kinta, Tongkah Harbour and Aokam.

* * *

Perth Stock Exchange has lifted the suspension of dealings in Norseman Gold Mines which had followed a dispute between nominees of the major shareholders, Pioneer Concrete Services and Hollandia over the composition of Norseman's Board.

BIDS AND DEALS

ALCOA BRITAIN OUT OF BULK MATERIALS HANDLING FIELD

Alcoa Britain is moving out of direct involvement in the bulk materials handling business with the transfer of its Alcoa Container Systems subsidiary in Warwick to Warco Products, a subsidiary of Cape (Warwick) Holdings.

A Cape subsidiary, Warwick Production, has been the main European manufacturer for Alcoa of bulk load containers for some time. The new move involves the transfer of a small number of design engineers and marketing staff, previously with Alcoa Container, to the new company.

As a result of the transfer, the Cape group will acquire the Totesystem licence of container manufacture in a number of European countries, including the U.K., and will also assume the licence currently held by Alcoa's other container system subsidiary in Europe, in West Germany.

An Alcoa spokesman said the materials handling business had always been outside the mainstream of activities. It had been decided therefore to put the business on a new basis in association with Cape. The terms of the deal are not being disclosed.

WASHINGTON INVESTMENT

The Electric and General Investment offer for the share capital of Washington Investment not already owned has been accepted by holders of 6.9m. Ordinary shares which, with the 222,500 held, represent 93 per cent. The offer has now become unconditional as to acceptances

HARGREAVES SALE

With effect from February 1, 1976, the effluent treatment division of E. B. Burdon Engineers, Camberley, Surrey—a Hargreaves Group subsidiary — is being acquired by Douglas-Rownson International, of Gloucester, a subsidiary of Gordon Johnson-Stephens Holdings. The sale does not affect the remaining manufacturing activities of Burdon, nor the continued expansion of the solid and liquid waste disposal and oil recovery business of Hargreaves Clearwaste Services, which recently opened its first integrated treatment centre at Wakefield, West Yorkshire.

NO PROBES

On present information, the following proposed mergers are not to be referred to the Monopolies and Mergers Commission—the parcel tanker operations of Panocean Shipping and Terminals and Anco Tanker Services; James Finlay and Co.-Teith Holdings and West Nile Holdings; McLeod Russel and Co.-Consolidated Tea and Lands and Cessnock Holdings.

ALH—CHANCERY

The meeting of holders of the 8 per cent. Convertible Unsecured Loan stock 1978 of Chancery Consolidated approved cancelling such stock in consideration for the issue of the new 8 per cent. Convertible Unsecured Loan stock 1986 of Arbuthnot Latham Holdings.

Dealings in the ALH new stock commenced yesterday for deferred settlement on Wednesday, February 25.

Allotment letters for the ALH new stock and warrants for the final period's interest on the CC stock will be posted February 23.

96% TENDER FOR BABCOCK BID FOR AMERICAN CHAIN

Babcock International Inc. announces that its offer for American Chain and Cable Co. Inc. closed last Friday, with slightly more than 96 per cent. of the shares tendered. Babcock will now put in hand the appropriate procedure for acquiring the balance.

Four directors of Babcock have joined the Board of American Chain. Mr. J. L. King, chairman, Mr. T. Carlile, managing director, Mr. D. Parvin, deputy managing director and Mr. B. J. Knightly, finance director.

MOTOR RAIL SALES

Motor Rail announces that the sale of Simplex Mechanical Handling—approved at Friday's extraordinary meeting—has been completed and has reduced borrowings from bankers by £300,000.

Contracts have been exchanged for the sale of the business of John Street (Manufacturers) which, it is anticipated, will bring about a further "substantial" reduction in borrowing requirements as stated in the accounts for the year to August 31, 1974.

ELLIS & EVERARD EXPANSION

Ellis and Everard has acquired the issued capital of Beta Chemicals for £150,000 — 102,041 Ordinary shares of 25p and £50,000 cash.

Beta makes, blends and distributes a wide variety of chemicals, including specialist products for the industrial and domestic markets. Its turnover in the year to January 31, 1975, was £282,000 and book value of net tangible assets at that date approximately £90,000. In the same period profit before tax was just under £21,000.

Grovebell Group—La Porte has disposed of its holding of 250,000 Ordinary (16.67 per cent.) to various individuals. Sonesta Investment has increased its holding by 60,000 shares to 299,500 (19.97 per cent.) making this the sole holding over 10 per cent.

ESPERANZA TRADE

Esperanza Trade and Transport shareholders have approved the resolutions in connection with the purchase of the Gellatly Hankey Companies.

JETINGA SELLS ESTATES

Jetinga Holdings announces that a conditional agreement has been exchanged by the wholly-owned subsidiary, Jetinga Valley Tea, for the sale of all four divisions of its Koomber tea estate (its sole estate) to an Indian purchaser.

The contract is due for completion by end-1976, and is subject to various consents being obtained in England and India.

Consideration is approximately £388,000, subject to consents, payable by interest-free instalments over six years from the date of completion.

The vendor will retain profits for 1976. Pre-tax profit from this estate in 1974 was £91,152.

MAGNET SOUTHERNS ACQUISITION

Magnet and Southerns has acquired F. J. Webster, a timber company of Bolton, for £225,000 —£137,809 cash and 51,745 Ordinary shares. Webster's net asset value at March 31, 1975 was £175,515.

DORMAN SMITH

Two member companies of the Dorman Smith Group have merged their operations—with effect from April 1 next, Dorman Smith Controlgear and Dorman Smith Britmac will trade under the single name of Dorman Smith Britmac. The reorganisation will permit more efficient utilisation of manufacturing and administrative facilities.

SHARE STAKES

London Merchant Securities—Sir Max Rayne acquired 99,666 Ordinary on January 21, and disposed of 500,000 on January 29 (0.18 per cent. and 0.91 per cent. respectively). Sir Max is now interested in 31.5m. Ordinary shares.

Regvell Pty. has purchased a further 2,500 Ordinary in D. and J. Fowler, increasing its holding to 195,128 shares.

Emray—the Oberon shareholding has been reduced to less than 10 per cent. Rosano AG has informed Emray that it is now interested in 2,561,000 shares (approximately 29.99 per cent.).

E. Chalmers Holdings purchased, between January 20 and January 27, on behalf of its subsidiary, McNeill Pearson Nominees, 36,700 Ordinary in McNeill Pearson, bringing the total number held by Nominees to 466,940.

Ewart New Northern—William Ewart Investments has acquired control of 61,300 Ordinary shares representing slightly more than 10 per cent. of the equity.

Tilley Lamp—Mr. R. L. Hersov has bought a further 2,500 Ordinary shares at 48p.

Drayton Premier Investment Trust has sold 50,000 City and Foreign Investment Ordinary reducing its holding to 450,000 shares (11.25 per cent.). Drayton Consolidated Trust has sold 65,000 City and Foreign shares reducing its holding to 400,000 shares (10 per cent.).

Rothschild Investment Trust recently bought a further 60,000 "A" Ordinary of Hume Holdings increasing its holding to 5.89m. "A" and 22,668 "B" shares (aggregate 26.23 per cent. of the "A" and "B" capital).

Midland Cattle Products—Croda International now owns 332,000 Ordinary shares (13.7 per cent.).

Yarrow — Vosper Thornycroft has increased its shareholding and now holds 781,000 shares (19.52 per cent.).

Notice of Redemption

To the Holders of

KINGDOM OF DENMARK

9% Twelve Year External Loan Bonds of 1970 due March 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected through operation of the Sinking Fund for redemption on March 1, 1976 at the principal amount thereof together with accrued interest to the date fixed for redemption $1,500,000 principal amount of said Bonds bearing the following distinctive serial numbers:

COUPON BONDS OF $1,000 EACH

M	7	1279	2499	3493	4512	5535	6677	7828	9056	10177	11238	12543	13787	15037	16288	17625	18855
	13	1380	2512	3498	4524	5542	6708	7831	9074	10180	11267	12546	13789	15050	16293	17633	18859
	23	1407	2526	3538	4526	5543	6724	7835	9083	10193	11281	12557	13795	15070	16307	17635	18871
	48	1418	2537	3539	4534	5570	6726	7840	9097	10194	11313	12603	13824	15075	16312	17674	18897
	49	1421	2538	3548	4570	5571	6730	7847	9136	10213	11317	12612	13838	15107	16335	17691	18912
	61	1423	2561	3551	4592	5577	6762	7850	9157	10221	11328	12615	13841	15125	16346	17693	18946
	69	1446	2562	3553	4618	5590	6769	7859	9170	10230	11341	12631	13848	15126	16349	17708	18955
	137	1482	2583	3555	4619	5602	6789	7868	9174	10247	11357	12641	13862	15159	16350	17710	18962
	139	1499	2600	3567	4637	5603	6826	7960	9175	10259	11368	12659	13877	15168	16374	17740	18991
	144	1505	2617	3591	4647	5610	6828	7962	9193	10265	11373	12665	13892	15174	16392	17757	19018
	175	1508	2656	3605	4651	5633	6840	7969	9222	10280	11377	12691	13895	15180	16393	17764	19032
	183	1532	2670	3613	4661	5650	6863	7973	9228	10284	11409	12715	13925	15186	16418	17783	19081
	197	1550	2675	3614	4663	5652	6868	7977	9229	10287	11435	12727	13932	15211	16444	17790	19083
	199	1578	2686	3630	4716	5653	6870	8007	9235	10293	11442	12731	13941	15226	16461	17801	19086
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	1160	2335	3328	4333	5381	6482	7631	8853	9471	11025	12370	13582	14861	16115	17423	18703	19095
	1179	2339	3353	4358	5382	6491	7638	8863	9972	11037	12376	13593	14883	16126	17441	18720	
	1192	2355	3360	4370	5386	6520	7642	8869	9999	11067	12379	13601	14890	16140	17465	18745	
	1199	2364	3369	4398	5399	6539	7661	8872	10008	11077	12408	13612	14891	16145	17471	18764	
	1217	2373	3385	4403	5412	6547	7701	8879	10041	11080	12419	13613	14912	16158	17472	18766	
	1264	2385	3407	4417	5446	6550	7720	8888	10048	11108	12420	13621	14921	16161	17485	18777	
	1274	2392	3433	4429	5452	6561	7741	8924	10049	11122	12430	13695	14927	16188	17489	18784	
	1275	2420	3435	4444	5459	6583	7749	8943	10050	11143	12444	13696	14934	16202	17529	18790	
	1309	2429	3444	4468	5467	6592	7754	8947	10085	11174	12448	13697	14937	16213	17581	18792	
	1325	2432	3450	4469	5478	6608	7765	8968	10102	11187	12473	13699	14945	16220	17586	18804	
	1327	2438	3467	4476	5488	6611	7767	8969	10145	11189	12507	13702	14968	16231	17590	18813	
	1329	2464	3469	4477	5491	6668	7772	8980	10161	11220	12514	13724	14990	16255	17601	18827	
	1330	2494	3479	4492	5503	6670	7787	9031	10163	11232	12520	13753	15001	16272	17602	18832	
	1371	2496	3483	4509	5507	6674	7793	9053	10167	11237	12541	13784	15031	16286	17621	18839	

On March 1, 1976, the Bonds designated above will become due and payable at the redemption price aforesaid in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts therein, and will be paid, upon presentation and surrender thereof in negotiable form with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Department of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015, or (b) subject to applicable laws and regulations, at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London, or Paris or at the main office of Privatbanken A/S, Den Danske Landmandsbank, Kjøbenhavns Handelsbank or R. Henriques jr. in Copenhagen. Payments at the offices referred to in (b) above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained with a bank in New York City. Coupons due March 1, 1976 should be detached and collected in the usual manner.

From and after March 1, 1976 interest shall cease to accrue on the Bonds herein designated for redemption.

Ministry of Finance of the Kingdom of Denmark
by: Morgan Guaranty Trust Company
OF NEW YORK, Fiscal Agent

January 28, 1976

NOTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

COUPON BONDS OF $1,000 EACH

M105	922	1237	1731	2291	2453	3357	4252	5850	6830	7753	9892	11218	12600	13564	14731	16564	18000
130	1007	1254	1768	2304	2522	3413	4342	5865	7227	7758	9893	11798	12648	13742	14742	16589	18071
131	1011	1321	1790	2333	2540	3589	4396	5872	7230	7769	9894	12051	12773	13939	14771	17113	18600
132	1030	1350	1792	2367	2542	3661	4686	5921	7533	8030	10768	12129	12987	13940	14980	17514	18834
207	1041	1351	1818	2387	2646	3787	5054	6344	7578	8324	11109	12131	12988	13942	15416	17519	18845
224	1061	1596	1819	2389	2657	3794	5086	6357	7605	8687	11144	12469	13109	14158	15421	17579	19111
298	1108	1685	1825	2390	3017	3979	5139	6517	7651	9434	11148	12470	13501	14275	15922	17580	19112
300	1160	1716	1969	2436	3032	3984	5144	6549	7704	9471	11149	12597	13520	14728	16196	17593	19575
598	1206	1719	2265	2442	3219	4093	5147	6566	7710	9885	11151	12598	13523	14729	16441	17594	

Manbré Group produces Record Profits

- * Forecast record profit achieved at £7.16m pre-tax.
- * Average annual increase in profits over last three years in excess of 30 per cent per annum.
- * Overseas companies contribute 26 per cent of profit.
- * Strong Balance Sheet provides a solid foundation for future.
- * Promising start to current year.
- * Board confident that 1976 will be another year of growth and positive development.

Year Ended 27th September 1975

	1975 £'000	1974 £'000
Turnover	143,415	80,928
Profit before tax	7,155	5,415
Profit after tax	3,797	2,833
*Earnings	13.7p	12.0p
*Dividends	6.155p	5.639p
*Asset Value	137p	128p

*per 50p Ordinary stock unit

MG MANUFACTURERS OF STARCH PRODUCTS AND REFINERS OF SUGAR

Copies of the report and accounts may be obtained from The Secretary, Manbré & Garton Ltd., Winslow Road, Hammersmith, London, W6 9SG.

Second half lifts BAT earnings to £137m.

REFLECTING A strong second half, net attributable profits of British-American Tobacco expanded from £117.27m. to £136.95m. for the year ended September 30, 1975.

When reporting on the first half—an increase from £56.29m. to £58.91m. was shown—the directors said that provided there was no significant change in exchange rates some further improvement was expected in attributable profits for the second half.

The directors now report that changes in exchange rates over the year had a favourable effect of £10.6m. on the sterling equivalent of BAT's interest in the group profit.

Turnover increased from £3.49bn. to £4.26bn., including £1.58bn. (£1.29bn.) duty and excise on tobacco, and profits at the pre-tax level emerged ahead at £276.48m. compared with £249.44m., struck after heavier interest of £48.1m. (£38.3m.). Earnings per 25p share are stated to be up from 45.9p to 53.7p and from 44p to 51.4p fully diluted.

The amount retained in inflation reserves is raised from £41.37m. to £51.36m. The directors point out that the method used in computing the amount to be set aside because of the inflationary element in group profits is unchanged from that used last year.

The dividend is raised by the maximum permitted—from 10.417p to 11.068p net with a final of 4.318p. A first interim of 3.5p (3p) is also declared in respect of the current year. The Deferred stock which will be converted to Ordinary on March 18 ranks for this interim.

	1974-75 £m	1973-74 £m
Turnover	4,261.8	3,498.0
Tobacco*	2,776.9	2,255.6
Retail	1,006.1	816.9
Paper	387.6	324.5
Cosmetics	71.4	56.8
Other activities	39.9	34.2
Trading profit	287.89	246.73
Investment income	36.79	41.01
Operating profit	324.6	257.8
Tobacco	249.9	202.0
Retail	30.9	23.3
Paper	20.7	33.6
Cosmetics	5.9	5.2
Other activities	19.2	23.7
Interest paid	48.11	38.32
Profit before tax	276.48	249.44
Tax†	117.89	114.01
Net profit	158.39	135.43
Minorities	21.64	18.16
Attributable	136.95	117.27
To inflation reserves	51.36	41.37
Dividends	28.57	26.92
Retained	57.02	48.98

* Including duty and excise £1,581.6m. (£1,298m.).

† Comprises U.K. corporation tax £77.17m. (£91.30m.); less D T R £65.92m. (£64.90m.); ACT recoverable nil (£3.15m.); overspill relief £1.31m. (£1.81m.); overseas tax £80.91m. (£73.19m.); and deferred tax £27.24m. (£19.18m.).

Commenting on the tobacco division the directors explain that turnover increased as a result of a small expansion in sales volume and higher selling prices. In Europe, U.K. exports worldwide showed growth but sales in most Continental domestic markets declined slightly, including Germany where rising costs reduced profits, although after a price increase margins recovered.

In the U.S., Brown and Williamson's sales volume was slightly down, but profits improved, having benefited from a price increase. Sales continued to expand rapidly in Brazil and profits improved, as did profits from most other companies in Latin America.

In Asia and Africa most companies experienced difficulty because of adverse economic conditions and rising costs; consequently profits were slightly lower.

On the retail side rising prices increased turnover and in the U.S. profits improved. Consumer spending in the U.S. was depressed earlier in the year but improved in the last quarter as the economy picked up.

Gimbels and Saks Fifth Avenue also benefited from better expense control and productivity. Kohl Corporation expanded and increased turnover but profitability was restrained by intense competition.

In the U.K., the profitability of International Stores declined because price increases failed to compensate for increased expenses, the directors state.

As regards paper, a serious decline in demand was suffered throughout the industry. The impact was felt particularly in the paper making activities of Wiggins Teape in the U.K. and Belgium with the result that profits were virtually halved.

In the cosmetics division Yardley and Lentheric-Morny U.K. sales improved and, despite inflating costs and price control, there was a small profit growth. The recession in North America and consequent restricted buying by the retail trade affected Yardley, although Germaine Monteil continued to trade profitably.

The group's net contribution to the U.K. balance of payments including dividends and other income from overseas and exports from the U.K. but after deducting payments for imported raw materials used in this country was some £104m. (£90m.).

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the subdivisions shown below are based mainly on last year's time-table.

TO-DAY

Interims—Hillards, Mining Supplies, Benjamin Priest, Stoddard Holdings, Vibroplant.

Finals—F. Pratt Engineering Corporation, Sterling Trust.

FUTURE DATES

Interims—

Econa	Feb. 11
Neepsend	Feb. 20
Throgmorton Secured Growth Tst.	Feb. 12

Finals—

Direct Spanish Telegraph	Feb. 12
Mann and Overton	Feb. 5
Tribune Investment Trust	Feb. 12
United States Debenture Corp.	Mar. 3
Winter (Thomas)	Feb. 12

Setback at Abbey—cuts interim

FROM more than maintained external sales of £8.87m. against £8.17m. first half pre-tax profits of the Dublin-based Abbey group have slumped from £603,000 to £220,000, with the net attributable balance falling from £308,000 to £115,000.

The interim dividend is halved to 0.5p less tax, per 25p share. Total for the year to April 30, 1975, was 2p, paid from taxable profits of £1.04m.

Group activities cover residential housing, plant hire, builders' merchanting, engineering, commercial property, and stationery manufacture. The directors say the results, when viewed in relation to the conditions currently prevailing, are not unexpected. However, the financial state remains "very strong" and the improved gearing ratios previously reported have been maintained, they add.

Costs continued to rise without adequate reflection in selling prices and margins have been further eroded, which coupled with the continued interest burden has led to the fall in profits.

A significant portion of the interest charge relates to assets acquired in 1973-74 which are at present unremunerative due in the main to the depressed economic climate. Each of these is being examined with a view to achieving its optimum utilisation, the directors report.

They do not envisage any significant improvement in the industrial environment in the remaining part of the year, but on the basis of trading to date they expect the company will at least maintain a similar level of activity in the second six months.

	Six months 1975 £000	1974 £000
External sales	8,886	8,174
Profit	220	603
Estimated tax	105	295
Net profit	115	308
Interim dividend	76	152

Stewart Wrightson

Insurance broking group Stewart Wrightson has formed a new U.K. company, Stewart Wrightson (Southern), bringing the number of U.K. regional offices to 17. It is located in Thames Ditton, Surrey.

Harry Purchase is managing director of the new company and the other directors are: Peter Stoffel (assistant managing), Sir Ralph Dodds and John Hamments, Keith Lovett and Kelvin Curran.

Braid 'well placed' for growth

ALTHOUGH IT is difficult to predict the future of vehicle distributors, Braid Group, the directors expect the company to be "well-placed to meet increasing demands" when the economic upturn commences.

Stating this in his annual review the chairman, Mr. D. C. Bamford, says the directors believe the introduction of new Vauxhall models will help to capture a higher proportion of the total market than hitherto.

As reported on January 13, group pre-tax profit increased from £294,415 to £345,113 in the year to September 30, 1975 after exceptional items of £356,130 (£48,000). The dividend is raised from 1.05075p to 1.1213p net.

In the main there was a steady flow of sales and cars and commercial vehicles, and overall a greater number of units was sold. Turnover increased from £13.34m. to £17.2m.

Turnover of the service and parts operations was well up and satisfactory profits were earned by the parts department. Service profits were depressed primarily because service charge-out rates were maintained.

Contract hire, leasing and short-term hire continued to progress and made a satisfactory contribution to profit, while the turnover of Marsden (Coachbuilders) was well in excess of the previous year and its contribution to net profit was "very satisfactory."

Cash and bank balances increased by £111,505 (decrease £179,589) and there was a reduction of £102,395 (increase £142,111) in short term borrowings.

As at January 31, 1976, Avondene Properties held 24.94 per cent. of the Ordinary. Meeting, Chester, February 26, at 12.15 p.m.

Demand at Lesbrook improving

Mr. W. F. Dorrell, chairman of Lesbrook says in his interim statement that the losses sustained in the half-year to September 30, 1975—£105,290 against £32,023 already announced—were the result of the disruption caused by the final moves into the Moorsom Street factory, and also the fall in demand by customers resulting from both a reduction in consumer sales and de-stocking.

He points out, however, that their effect will be less marked in the second half since the installation of all equipment in Moorsom Street has been completed and the first signs of a recovery in demand from customers is being seen. For the year to March 31, 1975 there was a loss of £91,825.

Referring to the recent acquisition by TCK Group of 29.9 per cent. of the company's shares and the appointments to the Board, Mr. Dorrell says that, in order to facilitate close co-operation with TCK, he plans to relinquish his position as chairman in favour of Mr. S. R. Rowlinson. This will enable him to concentrate full time as managing director.

The company manufactures pressings and assemblies.

S. Webster turns in £2.34m.

AFTER additional contributions of £176,000 to the pension scheme, and interest charges, taxable profit of Samuel Webster and Sons, brewers, advanced from £1,721,000 to £2,340,000 in the 52 weeks ended September 27, 1975.

Earnings per 50p share are shown to be up from 15.9p to 23p. Through Watney Mann and Truman Holdings, which owns all the issued Ordinary capital, the company is a subsidiary of Grand Metropolitan.

	1974-75 £000	1973-74 £000
Sales	17,365	13,524
Exceptnl. debit*	176	—
Pre-tax profit	2,340	1,721
Tax	1,241	959

* Additional contributions to pension scheme.

Tri-Ang recovery prospect

Tri-ang Pedigree, the toys group baled out by the Government last year and now controlled by Airfix, could be back in profit early next year.

At the Brighton toy fair Mr. Ralph Ehrmann, chairman of Airfix, said currently sales were very promising but one of the worries must be whether production could be got out quickly enough to match sales.

"The making or breaking of Tri-ang will be in the factory," he declared.

As things stood at present it could do "a touch better than break even by the end of the year to March 31, 1977," Mr. Ehrmann said.

Grange Trust outlook

The spread and quality of its shareholdings should stand the Grange Trust in good stead when the expected world economic recovery comes, the chairman, Mr. C. Alan McLintock says in his annual report.

The overseas content of the portfolio was reduced from 60 per cent. last year to 43 per cent. at November 30, 1975, stemming almost entirely from a less dramatic increase in share prices in the U.S., and other overseas markets and from the investment of much of the previous year's liquidity in the U.K. market.

With dividend increases in the U.K. currently restricted to 10 per cent. and with new accounting standards for inflation likely to be adopted within the next few years, it would be "rash" to predict any likely surge in income. Directors are nevertheless hopeful that a further modest increase in revenue can be achieved this year without detriment to the quality of the portfolio.

As reported last month, with net asset values, pre-tax revenue for the year ended November 30, 1975 rose from £268,011 to £309,460 and the net dividend total is 1.58p (1.47p).

At November 30, last year, Prudential Assurance held 1,012,680 Ordinary and London and Manchester Assurance 570,000 shares in the company.

Bond Street Fabrics progress

THE INCREASE in profit indicated by Bond Street Fabrics turns out to be from £287,148 to £364,482, before tax, for the year to September 30, 1975, after £145,000, against £110,000, for the first half. Sales for the year expanded from £5.63m. to £6.95m.

And the directors report that sales and profits for the first quarter of the current year are ahead of those for the first quarter of last year.

Stated earnings per 10p share for the past year advanced from 4.7p to 6.6p. A final dividend of 1.85p makes a maximum permitted total of 2.6p net, compared with 1.7p for the previous year and with 2.8p for 1973-73.

The results were achieved in an economic climate in which many companies in both double knit and knitwear industries traded at a loss, the directors point out.

Irish Cinemas loss £64,200

Irish Cinemas incurred an increased pre-tax loss of £64,201, against £15,106, in the year to October 31, 1975. As before, there is no dividend.

Unprofitable assets are being disposed of. This will restore the company to a profitable position, with prospects of dividend payments in futuer years, the directors state.

	1974-75 £	1973-74 £
Turnover	937,5651	1,272,837
Interest receivable	48,672	1,187
Share associates	4,152	119,747
Interest payable	110,211	111,703
Pre-tax loss	64,201	15,106
Tax credit	60,362	*13,053
Profit	3,061	†28,159
Extraordinary debits	30,589	82,228
Attributable loss	25,528	110,357

* Charge. † Loss.

Staffordshire Bldg. growth

The Wolverhampton based Staffordshire Building Society again announces record receipts—nearly £34m. during the year 1975, an increase of 38.7 per cent. on 1974. Total new investments, including interest credited, after all withdrawals, exceeded £13.25m.

Total assets have risen by 37.2 per cent. from £56m. to over £77m., including those of the former Stafford and County Building Society following the merger on May 1, 1975.

During 1975 the Society advanced £13.4m. compared with £9.2m. the previous year, an increase of 46 per cent. Despite this, demand for home loans "far exceeded" the supply of funds available and the Society was forced to implement a policy of using many different limiting factors to control lending.

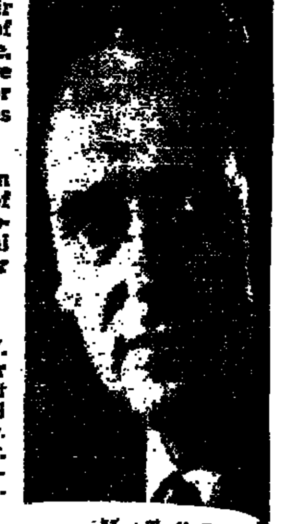
MAPLE

Holders of Maple Macowards 9½ per cent. Unsecured Loan Stock 1998-2002, have approved the proposals for variation of borrowing powers and modification of the terms of the stock.

APPOINTMENTS

Two new Plessey Board members

Sir Francis Sandilands and Mr. T. G. P. Rogers have joined the main Board of PLESSEY. Sir Francis, who is chairman of Commercial Union Assurance, will serve in a non-executive capacity. Mr. Rogers, director of personnel of Plessey, continues as a full-time executive.



Mr. T. G. Rogers

*

Mr. E. R. Warren has been appointed to the Board of DONCASTER COALITE, a subsidiary of Coalite and Chemical Products. He has been manager of the company's Askern Works.

*

ADD APPTS

Mr. D. Curry and Mr. H. J. Potterton are to relinquish their positions as managing directors of CURRYS from February 6 but will continue as directors. Mr. D. Curry will remain chairman. Mr. M. Curry and Mr. T. R. Curry continue as joint managing directors.

*

Dr. E. H. T. Hoblyn has retired from the PROCESS PLANT ASSOCIATION but continues as a consultant.

*

Mr. Alan F. Bishop has been appointed sales director of DESIGN BUILT.

*

Mr. John Bedford has been appointed work director of BURWELL REED AND KINGHORN, a member of the Rockware group.

*

Mr. A. William Graves is to retire on March 31 as a director of C. AND J. CLARK and from his position as deputy managing director of Clarks Ltd.

*

Mr. Bryan Johnson, who joined W. E. NORTON (MACHINE TOOLS) two months ago as sales director designate, has been officially confirmed as a director of the company in charge of its new NC Machine Tool Division.

*

Mr. R. M. Crockatt is to take up residence in Jersey and is dissolving his partnership with EARNSHAW HAES AND SON, stockbrokers, on April 15, subject to the approval of the Council of the Stock Exchange, and will be a representative of James Capel and Company in its Jersey office.

*

The INDEPENDENT BROADCASTING AUTHORITY has appointed six new members to fill vacancies on its General Advisory Council. They are Mr. J. B. Abrams, Mr. R. W. Buckton, Mr. T. Dargon, Mr. W. H. Geen, Miss Judith Robertson and Mrs. K. B. Shew.

*

Mr. Bill Bailey has been appointed marketing director of QUEENSWAY DISCOUNT WAREHOUSES.

*

Mr. E. A. G. Jennings, property manager, is leaving the GUARDIAN ROYAL EXCHANGE ASSURANCE GROUP to take up another appointment but has agreed to continue as a consultant for the next two months. Mr. M. F. Collins, investment manager will assume responsibility for the property and special projects department.

*

Mr. Harold Redwood has joined Jefferson Smurfit Group as managing director of W. J. NOBLE AND SON, a U.K. subsidiary. Mr. Redwood was previously sales manager of Taylowe.

*

Mr. Geoffrey Lederman has been appointed deputy chairman of SMITH BROS. He succeeds Mr. Anthony Lewis, who, as already announced, became chairman on the retirement of Mr. Henry Marks.

*

Mr. Michael W. Bonn has resigned from the Boards of ANGLO-AMERICAN SECURITIES CORPORATION and NORTH ATLANTIC SECURITIES CORPORATION as he is taking up permanent residence in Jersey.

*

Mr. L. G. Beaver has retired as a director of COUNTY BANK.

*

Mr. P. W. D. Smith has been appointed chairman of REFUGE ASSURANCE.

Mr. Michael Herrmann [illegible] appointed managing dir[illegible] the TRAFALGAR WATC[illegible] PANY. He joined the com[illegible] years ago.

*

Mr. N. R. Jarritt ha[illegible] appointed senior inte[illegible] executive for the U.K. in [illegible] national Banking [illegible] of NATIONAL WEST[illegible] BANK. He is succeeded a[illegible] international executive for Europe and Scandinavia [illegible] L. J. Perkin. Mr. Perkin's [illegible] as manager, internation[illegible] ping finance, corporate [illegible] services department, is [illegible] Hood.

*

Mr. A. E. Smith ha[illegible] appointed a non-executi[illegible] tor of FAIRFAX JERSEY [illegible]

*

Mr. M. W. Stephens [illegible] resigned from the Board [illegible] INDUSTRIES on taking appointment overseas.

*

Mr. Arthur Chambers [illegible] resigned as chairman an[illegible] director of J. BROCKHOUSE [illegible] CO. on personal grounds [illegible] view of other commitme[illegible] A. C. Darby, a director [illegible] company since 1966, ha[illegible] appointed non-executive c[illegible] and Mr. R. J. H. Pa[illegible] become deputy chairm[illegible] addition to his position a[illegible] managing director.

*

Mr. W. A. de Vigier, c[illegible] and managing director of A[illegible] is to resign as managing d[illegible] on April 1 and will be su[illegible] by Mr. W. Jack, the p[illegible] managing director of [illegible] Cranes, a subsidiary. Mr. [illegible] Steel is to be managing di[illegible] of Coles Cranes, and Major [illegible] Hathrell will become m[illegible] director of Thos. [illegible] (Engineers) on the retire[illegible] Mr. J. Holmes. Mr. G. E[illegible] is to be managing direct[illegible] new operating company [illegible] (Engineers). Other appo[illegible] at Coles Cranes are Mr. [illegible] Clarke, financial director [illegible] P. K. Steel, general mana[illegible] the Sunderland factory, a[illegible] R. J. Buckland, general ma[illegible] Grantham.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	
Andermatt	55	145	Good	[illegible]
Flaine	55	70	Good	[illegible]
Murren	60	170	Fair	[illegible]
Niederau	25	60	Fair	[illegible]
Pontresina	30	30	Good	[illegible]
St. Anton	52	200	Good	[illegible]
Tignes	40	90	Good	[illegible]
Verbier	40	70	Good	[illegible]

Above reports are supplied by [illegible] Club of Great Britain. Follow[illegible] from other sources—

GERMANY

Berchtesgaden	15	100	Good	—
Garmisch	5	70	Good	[illegible]
Oberammergau	25	70	Good	—

SWITZERLAND

Adelboden	35	70	Good	[illegible]
Grindelwald	40	90	Good	[illegible]
Gstaad	20	71	Good	[illegible]
Leysin	30	100	Hard	[illegible]
Zermatt	45	90	Good	[illegible]

New Issue
February 4, 1976

All of these bonds having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.

DM 250,000,000.–

8% Deutsche Mark Bonds of 1976, due 1984

Interest:	8% p. a., payable on February 1 of each year
Redemption:	on February 1, 1984 at par
Listing:	at all German Stock Exchanges
Issue Price:	100 %

Deutsche Bank Aktiengesellschaft also for **Berliner Disconto Bank** Aktiengesellschaft

Dresdner Bank Aktiengesellschaft also for **Bank für Handel und Industrie** Aktiengesellschaft

Allgemeine Deutsche Credit-Anstalt
Badische Kommunale Landesbank – Girozentrale –
Bayerische Landesbank Girozentrale
Berliner Bank Aktiengesellschaft
Bankhaus Gebrüder Bethmann
Richard Daus & Co. Bankiers vormals Hans W. Petersen
Deutsche Girozentrale – Deutsche Kommunalbank –
Conrad Hinrich Donner
Hamburgische Landesbank – Girozentrale –
Hardy & Co. G.m.b.H.
von der Heydt-Kersten & Söhne
Landesbank Saar – Girozentrale –
B. Metzler seel. Sohn & Co.
Oldenburgische Landesbank Aktiengesellschaft
Gebr. Röchling Bank
Schröder, Münchmeyer, Hengst & Co.
J. H. Stein
M. M. Warburg-Brinckmann, Wirtz & Co.
Württembergische Bank

Bankhaus H. Aufhäuser
Bank für Gemeinwirtschaft Aktiengesellschaft
Bayerische Vereinsbank
Berliner Commerzbank Aktiengesellschaft
Bremer Landesbank
Delbrück & Co.
Deutsche Länderbank Aktiengesellschaft
Effectenbank-Warburg Aktiengesellschaft
Handelsbank Heilbronn AG
Georg Hauck & Sohn
Bankhaus Hermann Lampe Kommanditgesellschaft
Landesbank Schleswig-Holstein Girozentrale
National-Bank Aktiengesellschaft
Sal. Oppenheim jr. & Cie.
Saarländische Kreditbank Aktiengesellschaft
Schwäbische Bank Aktiengesellschaft
Trinkaus & Burkhardt
Westdeutsche Landesbank Girozentrale

Badische Bank
Bayerische Hypotheken- und Wechsel-Bank
Joh. Berenberg, Gossler & Co.
Berliner Handels- und Frankfurter Bank
Commerzbank Aktiengesellschaft
DG Bank Deutsche Genossenschaftsbank
Deutsche Unionbank G.m.b.H.
Hallbaum, Maier & Co.
Handels- und Privatbank Aktiengesellschaft
Hessische Landesbank – Girozentrale –
Landesbank Rheinland-Pfalz – Girozentrale –
Merck, Finck & Co.
Norddeutsche Landesbank Girozentrale
Reuschel & Co.
Karl Schmidt Bankgeschäft
Simonbank Aktiengesellschaft
Vereins- und Westbank Aktiengesellschaft
Westfalenbank Aktiengesellschaft
Württembergische Kommunale Landesbank Girozentrale

MEARS

Extracts from Chairman's Statement and Annual Report

Substantial recovery in second half. £306,000 pre-tax profit for year, despite interim loss. Proposed dividend increased.

- Balance sheet shows Company's improved borrowings position following disposals of dredging and opencast mining activities.
- Satisfactory recovery achieved in Mears Construction Ltd. Directors confident 1976 should show return to acceptable level of profitability.
- Record turnover and profit increases reported for A. Long & Co. Ltd. Trading continues at high level and additional investment obtaining full rewards.
- A. Long International making good progress in Middle East and contributed substantially to group pre-tax profits. Continued growth expected. Mears International, formed to undertake construction overseas, currently negotiating first contract in Middle East.
- Group now has financial strength, structure and management to take advantage of current positive overseas opportunities and upturn in U.K. economy when it occurs. Directors view future with confidence and look forward to major improvement in Company's results in 1976.

Salient figures:

	Year ended 30th Sept. 1975 £000	1974 £000
Group turnover	41,936	30,653
Group profit before tax and extraordinary items	306	370
Group profit after tax before extraordinary items	118	153
Surplus on sale M.B. Dredging Co. Ltd.	442	—
Interim dividend	47	47
Proposed dividend	66	60
Earnings per share based on group profit after tax, before extraordinary items	1.69p	2.26p
Balance sheet:		
Shareholders funds	3,035	2,588
Deferred liabilities	745	904
Loans and other finance	491	1,464
Bank overdrafts	1,025	2,385
	5,296	7,341
Fixed assets:		
Properties	1,557	1,461
Plant and equipment	1,323	2,703
	2,880	4,164
Net current assets	2,416	3,177
	5,296	7,341

Mears Bros. Holdings Limited

Copies of the Report and Accounts are available from The Secretary, 154/158 Sydenham Road, London SE26 5LA. Telephone: 01-778 7851

هكذا صدر الأصل

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

THEATRES

HER MAJESTY'S. 930 6606. Evgs. 8. Mats. Wed 2.30. Sat. 5.45 and 8.30. The New Hit African Musical IPI TOMBI. "PULSATING MUSICAL." Evg. News. "The huge cast is superb." S. Times.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30. 9.30. THE ROCKY HORROR SHOW. "BEST MUSICAL OF THE YEAR." Evening Standard Drama Award.

LYRIC IN REPERTORY. 01-437 3686. Today at 3.0 & 8.0 JOAN PLOWRIGHT. HELEN MIRREN. JOHN MOFFATT. FRANK GRIMES and PETER McENERY in THE SEA GULL. Tomorrow to Wed. Feb. 11 THE BED BEFORE YESTERDAY.

MERMAID. 248 7656. Food 248 2835. Evenings 8.15. Mat. Fri., Sat. 5.15. RICHARD BECKINSALE is "side-splittingly funny." D. Mail in FUNNY PECULIAR. "Mike Stott's exceptionally fine, vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer. 3-COURSE DINNER AND SHOW £5.95.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Last Perfs. Tonight at 7.30. Tomor. at 2.15 and 7.30. PHAEDRA BRITANNICA by Tony Harrison after Racine's Phedre. Some seats held for sale day of performance from 10 a.m.

PALACE. 437 6834. Mon. to Th. 8.00. Fri., Sat. 6.00 and 8.40. JESUS CHRIST SUPERSTAR.

PALLADIUM. 01-437 7373. Mon., Tue., Thur. 8.0. Wed., Sat. 6.15 and 9.0. Fri. 9.0 only. For 2 weeks only. SHIRLEY MacLAINE. "Shirley MacLaine . . . A Super, Super Star . . . If you want to know what show business is all about, go and see her." Clifford Davies, Daily Mirror. Feb. 16 for 2 weeks only. From America in Concert! EDDIE FISHER LORNA LUFT. Box Office Now Open.

PHOENIX THEATRE SEASON 1976. Evenings 8.0. Mat. Thur., Sat. 3.0. ROCK HUDSON JULIET PROWSE "I DO! I DO!" For 6 weeks only. Tel. 01-836 8611.

PICCADILLY. 437 4506. Mon. to Thur. 8. Fri. and Sat. 6.00. 8.40. KWA ZULU. "Probably the most compulsive enjoyable musical show in London." F.T. "A joyous occasion indeed." Sun. Exp. LAST 2 WEEKS.

QUEEN'S. 01-734 1166. Evenings 8.00. Mat. Thur. 3.00. Sats. 5.30 and 8.30. ALAN BATES in OTHERWISE ENGAGED. A new play by SIMON GRAY. Directed by HAROLD PINTER.

RAYMOND REVUE BAR THEATRE. 734 1593. (7, 9, 11 p.m. inc. Sunday.) PAUL RAYMOND presents THE FESTIVAL OF EROTICA '76.

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. at 7.00 and 9.15. 2nd YEAR of SENSATIONAL STAGE SHOW OF THE '70s LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUND HOUSE. 267 2564. Evgs. 8.0. Thur. and Sat. 5 and 8.30. LAST 4 WEEKS. RSC present THE IK. Directed by Peter Brook. ROUND HOUSE "DOWNSTAIRS" HAMLET. Opens Ton't. at 6.30. Tomor. Sat. Mon. and Tues. at 7.30. MAN IS MAN. Fri. at 7.30.

ROYAL COURT. 730 1745. Prev. Ton't. at 8. Opens Tomor. at 7. Subs. Evs. 8. Sats. 5 and 8.30. James Bolam, Jane Asher and Stephen Moore in Christopher Hampton's TREATS.

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. at 2.45 and Sat. 5.00. 8.00. AGATHA CHRISTIE'S THE MOUSETRAP. World's longest-ever run. 24th YEAR.

SAVOY. 836 8888. Evenings at 8.00. Mats. Wed. at 2.30 and Sat. 5.00. Barbara MULLEN and Derek BOND in AGATHA CHRISTIE'S MURDER AT THE VICARAGE.

SHAFTESBURY THEATRE. 01-836 6596. Evgs. 7.30. Mats. Thur., Sat. 3.0. ARTHUR LOWE, JOHN LE MESURIER, CLIVE DUNN in DAD'S ARMY. "Funny and touching . . . total artistic success." Sunday Times.

SHAW. 01-388 1394. Evenings 7.30. J. P. DONLEAVY'S THE GINGER MAN.

STRAND. 838 2660. Evenings 8.0. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. Doris Hare, McDonald Hobley, Arthur Howard, Barry McGinn. NO SEX PLEASE, WE'RE BRITISH. Directed by Allan Davis. LONDON'S LONGEST LAUGH. 5th YEAR.

TALK OF THE TOWN. 01-734 5051. From 8.15. Dining and Dancing. At 9.30 New Revue SWEET TEMPTATION, and at 11 p.m. PETERS AND LEE.

THEATRE ROYAL, STRATFORD. E.15. 01-534 0310. C. G. BOND'S JUDGE JEFFREY'S. Opens Ton't at 7. Suns. Evgs. 8.

VAUDEVILLE. 836 9988. Evgs. at 8.00. Mats. Tues. 2.45. Sat 5 and 8. Margaret LOCKWOOD, Paul DANEMAN and Barrie INGHAM. DOUBLE EDGE. "IT IS FAR AND AWAY THE BEST THRILLER IN TOWN." Punch.

VICTORIA PALACE. 834 1317. Evgs. 8.00. Wed., Sat. 6.00 and 8.45. MIKE YARWOOD. BOOK NOW—Must end Feb. 28. Special reductions and concessions—apply Box Office.

WEMBLEY EMPIRE POOL. 902 1234. Mon. to Fri. 7.45. Mats. Wed. and Thurs. at 3.0. Sat. at 2.0, 5.0 and 8.0. MUSICAL SPECTACULAR ON ICE. DICK WHITTINGTON. Children and OAP half-price except Sats. Ample parking. Pay at doors.

WHITEHALL. 01-930 6692-7765. Evenings 8.0. Sat. 6.45 and 9.0. PAUL RAYMOND presents "Britain's No. 1 Sex Symbol" FIONA RICHMOND. COME INTO MY BED.

WINDMILL THEATRE. 437 6312. PAUL RAYMOND presents LET'S GET LAID. Twice Nightly at 7.00 and 9.00. 2nd SENSATIONAL YEAR.

WYNDHAM'S. 836 3028. Evenings at 8. Mats. Wed. 3. Saturday 5 and 8.15. JIMMY JEWEL in COMEDIANS. By Trevor Griffiths. "The most exciting play in London." Sun. Times.

YOUNG VIC. (by Old Vic) 928 6363. Tnt. 8. AS YOU LIKE IT.

YOUNG VIC. MACBETH, CHARLEY'S AUNT, OTHELLO, FANTASTIC FAIRGROUND, ALL WALKS OF LEG & JOHN LENNON.

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BKBLE. 1. BARRY LYNDON (A). Wk. & Sun. 2.25, 7.55. 2. THE SUNSHINE BOYS (A). Wk. & Sun. 2.00. 5.30. 8.30.

CURZON, Curzon St., W.1. 499 3737. Peter Falk, Gena Rowlands in John Cassavetes' A WOMAN UNDER THE INFLUENCE (AA). Film 2.45. 5.30. 8.15. "Cassavetes' most important movie to date." Sunday Telegraph. "Gena Rowlands' performance is worthy of an Oscar." Daily Express. Last Day.

EMPIRE. Leicester Square. 437 1234. HUSTLE (X). Progs. Daily 2.30. 5.30. 8.30. Sep. Perfs. All seats bookable. No phone bookings.

LEICESTER SQUARE THEATRE. (930 5252.) THE RETURN OF THE PINK PANTHER (U). Cont. progs. Mon.-Fri. 1.00. 3.00. 5.35. 8.10. Circle seats may be booked.

ODEON, LEICESTER SQUARE. (930 6111.) Charles Bronson in BREAKHEART PASS (A). Cont. progs. Wk. 1.00. 3.20. 5.50. 8.25.

ODEON, HAYMARKET. (930 2738-2771.) Dustin Hoffman "LENNY" (X). Sep. progs. Wk. 2.00. 5.15. 8.30. All seats may be booked.

ODEON, MARBLE ARCH. (723 2011-2.) GREAT EXPECTATIONS (U). Sep. progs. 12.45. 4.15. 8.00. All seats may be booked.

PLAZA 1 & 2, Regent St., S.W.1. 839 6494. Sep. Perfs. All seats bookable. Box Office 11 a.m. to 7 p.m. (not Suns.). No phone bookings. 1. JAWS (A). Daily 1st perf. 1.00. 2nd perf. 3.30. 3rd perf. 6.00. 4th perf. 8.30. 2. JAWS (A). Daily 1st perf. 2.00. 2nd perf. 4.30. 3rd perf. 7.00. 4th perf. 9.30.

PRINCE CHARLES, Leic. Sq. 437 8181. 2nd Great Year. EMMANUELLE (X). Sep. perfs. Dly. (inc. Sun.) 2.45. 6.15. 9.00. Late Show Fri. and Sat. 11.45. Seats Bkble. Lic'd Bar.

RITZ, Leicester Sq. 437 1234. 3 DAYS OF THE CONDOR (AA). Progs. Daily 1.45. 3.50. 6.10. 8.30.

SCENE 1, 2, 3, 4, Leic. Sq. (Wardour St.). 439 4470.

SCENE 1. Cont. dly. 12.30. Late show Fri. & Sat. 11.45. Ken Russell's Lisztomania (X). Progs. 12.30. 2.20. 4.45. 7.05. 9.25. Late show Fri. & Sat. 11.45.

SCENE 2. 2nd Year. The Exorcist (X). Directed by William Friedkin. Sep. perfs. dly. 12.30. 3.00. 6.15. 9.00. Late show Fri. and Sat. 11.30.

SCENE 3. 2nd Year. The Towering Inferno (A). Sep. perfs. dly. 2.00. 5.20. 8.40. Late show Fri. and Sat. 11.45.

SCENE 4. Cont. dly. 1.00. Late show Fri. & Sat. 12.00. Ken Russell's Tommy (AA). Progs. 1.00. 3.45. 6.30. 9.15. Late show Fri. and Sat. 12.00.

CINEMAS ARE CONTINUED ON PAGE 14

Invicta flies again under new ownership

By Michael Donne, Aerospace Correspondent

INVICTA INTERNATIONAL, the independent airline which ceased flying on September 30 last year, is back in the air. Its name, goodwill and assets have been wholly acquired by airbrokers Universal Air Transport Sales (UATS) from Invicta's parent company, European Ferries. The amount involved in the deal is not disclosed.

Flying by Invicta resumed on January 3, employing two Britannia turbo-prop aircraft on long lease from IAS Cargo, on a "bus-stop" freight service between the U.K. and 17 countries in Europe, the Middle East and North Africa. Eventually, it is intended to resume passenger operations.

Invicta International has now been reconstituted as a company with fully paid share capital of £450,000 and a staff of 40. Mr. Hugh Kennard, former joint managing director of Invicta and chairman of UATS, is managing director of the new company.

Confident

Mr. Kennard said yesterday: "I am confident that Invicta will again become a major charter airline. Invicta handled around 10m. kilograms in the financial year 1974-75, and is conservatively budgeted to carry at least the same in 1976."

The new parent company of Invicta, UATS, was founded 12 years ago. It is a member of the Baltic Exchange, and is engaged in a wide variety of international passenger and cargo operations.

Mr. Michael Harridine, managing director of UATS, says that ownership of Invicta will not significantly alter the amount of trading that UATS does with other airlines. Invicta's business will be generated mainly by its own sales team.

UATS is aiming to use the airport facilities at Manston, Kent, that it has acquired from European Ferries to develop the airport as a major freight and passenger terminal in the South-East.

Bristol network for Jobcentre

BRITAIN'S first network of seven government Jobcentres opened in Bristol yesterday and will soon be joined by another three. A Transmission system ensures that vacancies go on display immediately in all Jobcentres.

The Bristol network is likely to be followed soon in such other areas as Newcastle and Manchester. Over 130 Jobcentres are now open with distinctive orange facias.

STOCK EXCHANGE BUSINESS IN JANUARY

Active trading in Gilts raises turnover to record £16.8bn.

BY GEOFFREY FOSTER

GILT-EDGED trading, which rose by a remarkable £29bn. last year to £67.2bn., nearly 76 per cent. above the 1974 level, continued to boom on the Stock Exchange last month.

The trend towards lower interest rates, both at home and in the U.S., resulted in institutional buying of gilts on a phenomenal scale. During the month three "tap" stocks were exhausted, and one planned £500m. replacement tranche of Treasury 9½ per cent. 1980 stock was not operated as a "tap" because of heavy initial subscriptions.

Turnover in gilt-edged last month jumped by £6.6bn., more than 92 per cent., to a record £13.7bn., well above the previous peak of £8.4bn. recorded in January 1975. Trade in short-dated stock contributed more than half the record total at £7.3bn., virtually double the £3.7bn. in December.

Category	Value of all purchases and sales £m.	% of total	Number of bargains	% of total	Average value per day £m.	Average value per bargains £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	7,344.0	43.6	28,238	5.1	349.7	260,076	1,345
Others	6,380.0	37.9	51,382	9.2	303.8	124,169	2,447
Irish Government	734.6	4.4	3,535	0.6	35.0	207,806	168
U.K. Local Authority	365.7	2.2	6,136	1.2	17.4	59,598	292
Overseas Govt. Provincial and Municipal	39.4	0.2	1,877	0.3	1.9	21,003	89
Fixed Interest Stocks Pref. and Prefd. Ordinary Shares	163.2	1.0	39,010	7.0	7.8	4,183	1,857
Ordinary Shares	1,798.7	10.7	426,546	76.6	85.6	4,217	20,312
Total	16,825.7	100.0	556,724	100.0	*801.2	*30.222	*26,510

* Average of all securities

Lending rate

The average value per bargain in the shorts rose to £260,076 last month compared with December's £189,347, and the total number of gilt-edged bargains improved by 26,346 on the month to 79,620. The FT Turnover index for Government Securities last month jumped to 580.9 compared with a 1975 average of 237.2.

The 1½ per cent. reduction in the Minimum Lending Rate to 10 per cent. during the month and the subsequent cuts in clearing bank base rates together with continued cuts in U.S. rates provided the main stimulants for the unprecedented volume of gilt-edged buying last month.

The absence of tap stocks towards the end of the month led to extremely large gains in prices; rises of £2 to £3 in a day were not uncommon and such movements were often reflecting the weight of money in the market combined with scarcity of stock.

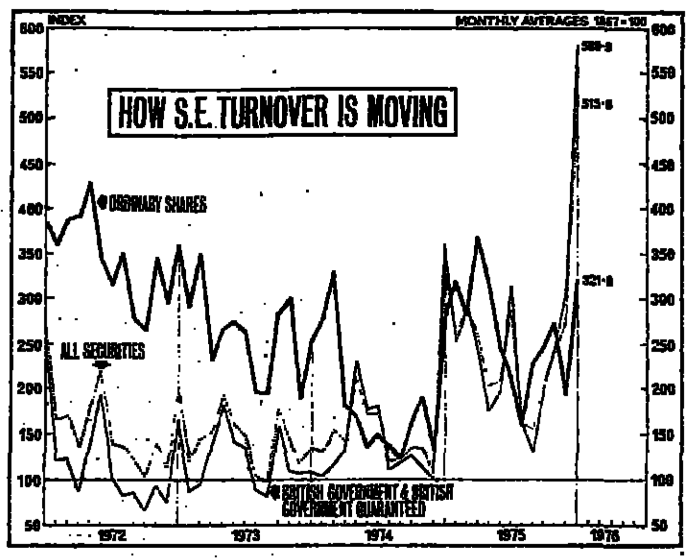
The strong upsurge in prices was reflected by the Financial Times Government Securities index. From an end-December value of 59.83, it forged ahead to end last month nearly 9 per cent. up at a 1975/76 high of 65.21.

The strength of gilts led to much improved activity in equities, where business volume last month rose by £0.7bn. to £1.8bn., the highest since last April's £2bn. The record was set in May 1972, at £2.1bn.

Dealings in equities rose by 143,221 to 426,546, and the average value per bargain was, at £4,217, slightly higher than in December. The FT Turnover index for Ordinary Shares gained more than 68 per cent. on the month to 321.0, the highest since last April's 365.0. The 1975 average was 260.9.

Industrials

Equity prices improved steadily, and, from an end-December level of 375.7, the Financial Times Industrial Ordinary share index touched 403.3 on January 15, eased back on light profit-taking to 388.4 on January 21 before surging forward to close the month 11.1 per cent. up at a 1975-76 high of 417.4. At this level the index was 185.9 per cent. up on last January's 20-year low of 146.0, and stood at its highest since November 12, 1973.



Business in all securities swelled by a remarkable £7.9bn. on the month to £16.Sbn., exceeding the previous record (January 1975) by £5.9bn. The turnover index for all securities recorded a new peak of 515.6, more than double the 1975 average of 240.1.

Gold share prices in January slumped to their lowest since December, 1973, as the price of gold bullion slipped below the "chart resistance" point of $128 an ounce to $124.25 on January 20. From an end-December level of 238.0, the FT Gold Mines index dropped to 197.1 on January 20 before closing the month 22.7 down at 215.3.

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. FUSEE, ...n of the Board ...ducts, Inc.
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E. WOODRUFF, ...man of the Board
G. ZIPF, ...President and Chief Executive ...Babcock & Wilcox Company

Consolidated Statement of Condition, December 31, 1975

ASSETS	(In Thousands)
Cash and Due from Banks	$ 5,648,512
Interest Bearing Deposits with Banks	3,165,775
U. S. Government and Federal Agency Obligations	515,431
Obligations of States and Political Subdivisions	919,487
Other Securities	180,047
Total Securities	1,614,965
Loans	15,853,203
Federal Funds Sold and Securities Purchased under Agreements to Resell	212,900
Total Loans	16,066,103
Less: Reserve For Possible Loan Losses	(141,648)
Unearned Discount	(78,360)
Net Loans	15,846,095
Lease Financing Receivables	600,535
Premises and Equipment	161,342
Customers' Liability on Acceptances	885,566
Accrued Interest Receivable	245,256
Other Assets	122,473
Total	$28,390,519
LIABILITIES	
Demand Deposits	$ 9,305,753
Savings Deposits	1,157,927
Other Time Deposits	5,131,742
Deposits in Overseas Offices	7,875,551
Total Deposits	23,470,973
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	1,166,987
Commercial Paper	514,669
Other Borrowed Funds	200,567
Acceptances	896,304
Accrued Taxes and Other Expenses	407,033
Dividend Payable	13,361
Other Liabilities	125,196
Long-Term Debt	497,076
SHAREHOLDERS' EQUITY	
Preferred Stock (without par value) Authorized—10,000,000 shares Outstanding—22,320 shares	1,116
Common Stock (par value $7.50) Authorized—40,000,000 shares Outstanding—29,691,166 shares	222,684
Surplus	341,083
Undivided Profits	433,470
Total Shareholders' Equity	998,353
Total	$28,290,519

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New Issue — This advertisement appears as a matter of record only — February 2, 1976

Companhia Vale do Rio Doce

Rio de Janeiro, Brazil

DM 70,000,000
9% Bearer Bonds of 1976

Offering Price: 99¼%

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BARCLAYS BANK INTERNATIONAL LIMITED
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CAPITALFIN INTERNAZIONALE S.p.A.
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CREDITANSTALT-BANKVEREIN
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BARING BROTHERS & CO., LIMITED
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BERLINER BANK AKTIENGESELLSCHAFT
CITICORP INTERNATIONAL BANK LIMITED
CRÉDIT COMMERCIAL DE FRANCE
DELBRÜCK & CO.
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DEUTSCHE LÄNDERBANK AKTIENGESELLSCHAFT
EFFECTENBANK — WARBURG AKTIENGESELLSCHAFT
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EURO-LATINAMERICAN BANK LIMITED
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GEORG HAUCK & SOHN
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POST- OCH KREDITBANKEN, PKBANKEN
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SOCIÉTÉ GÉNÉRALE
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UNION BANK OF SWITZERLAND (SECURITIES) LIMITED
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WOOD GUNDY LIMITED

W. German life insurers report record business

BY GUY HAWTIN

FRANKFURT, Feb. 3.

WEST GERMANY'S life insurers are reporting record business during 1975. Although the final figures have yet to be tallied, it is expected that, for the first time ever, the funds administered by the insurers will exceed the DM70bn. point.

Figures just produced by the industry show a handsome 13.6 per cent. growth rate for the first 11 months of last year. By the end of November funds controlled by the insurers totalled DM65.3bn. If the growth rate was maintained in December—and all indications are that it was—the insurers' funds would probably total more than DM71bn.

Many factors contributed to heavy increase in life insurance sales, not the least being the recession. There was a boom in savings during 1975 and most forms of savings, particularly bank savings deposits, registered very high growth rates.

Some analysts here believed that insurers would have picked up even more business had it not been for the problems of the Gerling concern. They point out that the Germans, whose traditional response to an economic downturn is to put as much as they can away for a rainy day, tend to go for security rather than return.

That said, Allianz Versicherungs of Berlin and Munich, West Germany's largest insurance group, announced that its 1975 figures would be satisfactory despite a measurable decline in earnings. Dr. Wolfgang Schieren, the group's chief executive, said that it was hoped that the supervisory Board would not have to recommend a lower dividend than in 1974.

Observers here interpret this as meaning that shareholders can expect the same payout as last year. They believe that the Allianz supervisory Board will consolidate last year's DM8.50 per DM50 nominal share plus a DM1 bonus into a full DM9.50 per share dividend.

The key to the year's results was the group's pension earnings. In this sector claims appear to have been some what higher than last year to the detriment of earnings. Against this returns in the group's general business were up.

Last year's marked upturn in the stockmarket led to a much healthier picture from the group's share dealing operations, and actuarial business during 1975 remained in the black said Dr. Schieren.

Results were also positive in Allianz's motor insurance business despite a small 0.2 per cent. fall back in premium income. It is, however, believed that motor insurance will go into the red during 1976.

Ruhrgas capital increase

BY GUY HAWTIN

FRANKFURT, Feb. 3.

RUHRGAS, West Germany's largest supplier of natural gas, to-day announced that it is to increase its capital to a nominal DM295m. with a new issue of shares worth a nominal DM30m. The decision of the supervisory Board follows authorisation by the concern's annual meeting on September 5 for an increase in capital of up to a nominal DM60m.

Munich bank optimism

BY GUY HAWTIN

FRANKFURT, Feb. 3.

BAYERISCHEN Vereinsbank's preliminary report on 1975 shows a worthwhile growth in both savings deposits and mortgage business. There has been a considerable growth in the balance sheet total and a substantial rise in profits may be indicated by the plans to increase the dividend.

The Munich bank's balance sheet total by December 31 totalled DM28.7bn.—12 per cent. up on the DM25.5bn. recorded at the end of 1974. An interim report on the first 10 months, published in December, showed a 5.3 per cent. rise in the balance sheet total, bringing it to close on DM26.9bn. In 1974, the balance sheet total growth rate was 7.3 per cent.

Customers' deposits rose from 1974's DM12.2bn. to DM13bn.—a gain of 6.6 per cent. Of this figure, savings deposits showed a 19.6 per cent. increase, rising from DM4.6bn. at the end of December, 1974, to DM5.5bn. Advances to customers rose by 7 per cent. to DM9.5bn.

In the bank's mortgage business, bond circulation rose 20 per cent. to reach DM9.6bn., while mortgage loans went up by 22.9 per cent. from DM8.14bn. to DM10bn. In the report on the first 10 months, the bank commented that total mortgage demand—at nearly DM1.49bn.—was half as high again as in 1974.

The balance sheet total for the Bayerischen Vereinsbank group as a whole showed an advance of 18.9 per cent. from DM41.2bn. to DM49bn. However, included in this total for the first time are the figures of Bankhaus Friedrich Simon of Dusseldorf in which the Vereinsbank increased its interest to 90 per cent. last year.

A dividend of 20 per cent. is being recommended for the year. If it is accepted by the April 20 annual meeting, the increase will bring the bank's dividend back to its traditional level, after the 18 per cent. paid for 1973 and 1974.

The annual meeting, it is understood, will also be asked to approve an increase in the bank's authorised capital. Last spring, the bank—one of West Germany's largest regional banks—increased its share capital, through a one-for-ten rights issue, by DM24.1m. to a nominal DM260m. Largely as a result of the issue, at a price of DM150 per DM50 nominal share, the bank's own capital resources went up from DM863m. at the end of 1974 to over DM1bn.

Landesbank 12 per cent. growth

DUSSELDORF, Feb. 3.

Westdeutsche Landesbank Girozentrale earned good profits last year and raised its balance sheet total by some 12 per cent. to DM64.4bn., according to chairman Ludwig Poullain.

The "interest surplus" rose by around a third from the previous year's DM359m., with other profits also growing strongly.

The balance sheet growth compared with a planned increase of 10 per cent., he added. In 1974, the bank made a net profit of DM118m.

Amfas single premium income boost

BY MICHAEL VAN OS

AMSTERDAM, Feb. 3.

AMFAS, a major Dutch insurance company, has reported that its provisional sales in 1975 — the total of premium income and income from investments—rose to about Fls.692m., 11 per cent. up on the year before. The turnover figure excludes single premium payments—and if these are included, the turnover has risen very sharply indeed—by 41 per cent. to Fls.939m. This compares with a 13 per cent. increase recorded in 1974.

The Amfas statement from Rotterdam also confirmed the December statement that net profits had gone up 9 per cent. in 1975. They rose 7 per cent. to Fls.18.2m. the year before.

The company's premium income for life insurance, excluding single premium payments, has risen 10 per cent. to about Fls.265m. But there has been a particularly sharp increase in single premium payments, which have no influence on profits.

Premium income from accident insurance has gone up by at least 10 per cent. to around Fls.255m. This compares with a 14 per cent. increase the previous year.

Amfas' total premium income, excluding life single premium payments, went up by an unchanged 10 per cent. to about Fls.520m. The company's revenue from investments has gone up by an unchanged 15 per cent. to about Fls.172m.

In December last year, the company announced for the first time an interim dividend of Fls.1.80 per share of Fls.20, to bring it more into line with the dividend policy of other domestic insurance companies. The full 1974 dividend was Fls.4.50.

Recovery at Svenska Flakt

By William Dullforce

STOCKHOLM, Feb. 3.

SVENSKA FLAKT, the Swedish industrial ventilation and air conditioning group, shows a 10 per cent. improvement in pre-tax profits to Kr.82m. (£9.2m.) for 1975 after a growth in sales from Kr.1.3bn. to Kr.1.6bn. (£180m.). The results indicate a strong second half recovery, after a 44 per cent. drop in profits for the first six months.

The management, however, is cautious about prospects for the current year, and forecasting unchanged profits despite an order inflow of close to Kr.1.9bn. (£215m.) in 1975; yesterday's Svenska Flakt announced a $20m. order from Venezuela. The caution centres on Japanese operations of the Gadelius concern, in which Flakt's holding increases this year from 46 to 70 per cent.

The parent company reports pre-tax profits of around Kr.61m. (£6.8m.) and net earnings of Kr.18.6m. (£2.1m.). The Board is recommending a Kr.1 increase in the dividend to Kr.13.50 per share for 1975.

It also proposes to raise the share capital by Kr.62m. to Kr.155m. (£17.3m.) through a one-for-three bonus issue and a one-for-three rights issue after a split in the nominal value of the shares from Kr.100 to Kr.50 each. All the new shares would be entitled to a dividend from 1976, and the equity increase is motivated by the group's plans for expansion and the need to improve the equity-capital employed ratio.

Protest strike against aid for Lip

By Robert Mauthner

PARIS, Feb. 3.

ALL THE watchmaking companies in the Haut-Doubs region of France, near the Swiss border—some 218 concerns in all employing 12,000 people—went on strike to-day in all employing 12,000 people—went on strike to-day in protest against President Giscard d'Estaing's decision to grant special aid to their major competitor Lip.

In an unusual gesture of solidarity, the 24 hour stoppage was joined by many local shopkeepers and even town halls in the region which is the traditional centre of the French watchmaking industry. And the local Member of Parliament has sent a letter to the President of the Republic requesting the immediate application of specific measures to safeguard the interests of the region and its population.

What has incensed the watchmakers, many of them entirely dependent on the Swiss market to which they export watch and clock parts, is that one company has been singled out for aid, instead of the whole industry.

Lip is obviously considered by the authorities to be a special case because of the leading role it took in social conflicts in 1973, when its workers occupied their factory and continued production by themselves after their company had been declared bankrupt.

Lip's competitors argue however, that thanks to the recession, their own situation is not much better and that certain companies have had to reduce working hours to as little as 30 hours per week.

Chile seeks $200m. loan

BY HUGH O'SHAUGHNESSY

CHILE IS attempting to raise a $200m. loan in the U.S. capital markets, according to banking sources in London. This news follows the announcement by Sr. Jorge Cauas, the Chilean Economy Minister, that Chile would not this year seek to renegotiate its foreign debts as it sought to last year. Chile's total foreign debt is estimated at around $2.5bn.

Sr. Cauas's announcement sparked off speculation about where the Chilean authorities would borrow the money, given that the outlook for a rally in the present low price of copper, Chile's major export item, is problematical. Sources in Cape Town and Johannesburg have strongly denied that South Africa would be a source of finance for Chile, as had been rumoured in New York. Chile has been reported to have received funds through Brazil, but this source, according to bank circles, has dried up.

Meanwhile the World Bank yesterday approved a $33m. 8½ per cent. loan to Chile for the development of the copper industry. The loan had been opposed fiercely by Sweden and rather less fiercely by Britain. The loan is to two state copper organisations, Codelco and Enamo.

Sr. Cauas is this week heading a mission to Egypt, Saudi Arabia and Jordan which seeks to attract Arab money into manufacturing ventures in Chile. These include textiles, stores, timber and prefabricated housing.

At the same time the Chilean State development agency CORFO is preparing new loan applications to the World Bank and the U.S. Agency for International Development for the development of geothermic and solar energy plants which would reduce Chile's great dependence on imported oil, and for agricultural development.

The Chilean Central Bank has announced that it is reducing from 18 to six months the minimum period that foreign financial loans may be accepted by Chilean borrowers.

PPC details Cape terms

BY RICHARD ROLFE

JOHANNESBURG, Feb. 3.

PRETORIA Portland Cement, controlled 31 per cent. by Barlows, has published offer documents in connection with its bid for Cape Portland by means of a scheme of arrangement, the terms being one PPC share (now 260c in Johannesburg) plus 40c in cash, or 270c cash against the market price of 280c for Cape. The documents come just after the interim figures for both companies to en-December which show substantial profit increases, from 23c to 32c per share for Cape and from 23c to 34c for PPC. The forecast for the full year to June 30, 1976, is, however, that Cape's earnings will be unchanged overall at 62c and that PPC's will rise from 55c to 87c. The forecasts are well-timed to attract any wavering minority shareholders in Cape, in which PPC has 58 per cent., and the Boards press home the point by stating that the minority will have a more broadly based investment in the cement industry without "forfeiting any earnings, dividend or asset advantages" by acquiring PPC shares in place of their Cape holdings.

Official figures purport to show that Cape shareholders' income and asset backing will be improved by acceptance, asset value for Cape at June 30, 1975, being 577c per share and that of PPC 554c per share. Shareholders meetings to consider the scheme will be held in Cape Town on February 26.

Respective turnover for the year to last June was R60m. for PPC and R13m. for Cape but both figures will be boosted by the latest cement price increase, gazetted on Monday, by 15.3 cents per 50 Kg. pack. This is partially cost recovery, reflecting higher coal prices, and brings the total rise in cement prices to about 26.6 cents in 12 months. The cost of a 50 Kg. pack is now 120 cents.

Interesting figures are released on replacement costs of the two companies' assets. The directors put costs of new cement capacity at R50 per ton and they value Cape's total replacement cost at R55m. in consequence, against a market capitalisation of only R6.5m. for PPC, cost of replacement is put at R210m. on the same basis, while at 260 cents the market values the company at R34m.

Patrick creditors disagree

BY JAMES FORTH

SYDNEY, Feb. 3.

THE PROSPECTS of unsecured creditors of failed sharebroking firm, Patrick Partners agreeing to a proposed scheme of arrangement received a setback to-day. A major creditor, the Commercial Banking Company of Sydney announced that it was opposed to the scheme. The bank also intends to oppose any application for the adjournment of bankruptcy petitions filed by the Sydney Stock Exchange. The petitions to sequestrate the estates of 11 of the 12 partners are returnable on February 25.

This is only two days before the trustee for the eleven partners, Mr. Jim Jamison is due to hold a reconvened meeting of unsecured creditors.

An unofficial meeting of unsecured creditors was held on January 20 in an effort to obtain an expression of creditors' views before the bankruptcy petitions came up in court. A committee of creditors was set up to consult with Mr. Jamison but the tone of the meeting was critical of the scheme.

The CBC said to-day that it was of the opinion that execution of the deed of arrangement was "not in the interests of the creditors of the partnership, nor of the creditors of the individual partners."

The CBC claims that it is a sub creditor but faces a court action to decide the matter. The argument arises over scrip lodged with the bank as security for margin trading deals by Patrick's clients.

The bank's overdraft to Patrick Partners totals $A5.2m. of which $A4m. relates to margin accounts. The scrip lodged is currently valued at about $A6.7m.

Company Results

Conoco earnings boost

● Continental Oil Company reports fourth quarter earnings per share of $1.33 (90 cents) from net income of $78.0m. ($45.8m.) and revenues of $2.14bn. ($2.03bn.).

Full year figures were: $8.50 ($6.06); $330.9m. ($307.2m.); and $7.67bn. ($7.34bn.) respectively. The 1974 figures have been restated for the adoption of new accounting principles.

● Svenska Handelsbanken said that in 1975 pre-tax profits rose by 18 per cent. to Kr.474m. (403m.).

Total revenue for the year rose by 18 per cent. to Kr.1.04bn. (882m.).

The Board recommended a dividend of Kr.16 per share (14).

● Atlantic Richfield Company reports net income of $114.3m., or $2.01 per share, for the fourth quarter ended December 31—an increase of 18 per cent., compared with the $98.9m., or $1.71 per share, reported for the same period a year ago. Consolidated sales and other operating revenues rose to $2.09bn. from $1.93bn. last year.

For the full year 1975, net income declined 26 per cent. to $350.4m. or $6.16 per share, compared to $474.6m., or $8.36 per share for 1974. Consolidated sales and other operating revenues rose 8 per cent. to $7.75bn. from $7.17bn.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
STRAIGHTS		
Aquitaine 10pc 1985	103	104
Ashland 8pc 1987	94	95
Austraswiss 8pc 1987	92½	93½
Borregaard 8½pc 1989	96½	97½
Broken Hill 10pc 1990	104¾	105¾
Carrier 8pc 1987	93	94
Conoco 8pc 1986	99¾	100¾
Consd. Foods 7¾pc 1991	91	92
Cutler Hammer 8pc 1987	93	94
EIB 9½pc 1985	101¼	102¼
ERAP 9¾pc 1983	101¼	102¼
Esso 8pc 1986 Nov.	100	101
General Cable 8½pc 1987	90¾	91¾
General Motors 8½pc 1986	103¾	104¾
Granges 9¾pc 1985	99¾	100¾
GTE 8½pc 1986	97	98
New Zealand 9½pc 1982	102	103
Pacific Light 8pc 1986	94¾	95¾
Prov. of Quebec 7¾pc 1989	88½	89½
Quebec Hydro 8½pc 1989	99	100
Queensland 8½pc 1987	92¾	93¾
Scanraff 8½pc 1988	98¾	99¾
Shell 8pc 1986	99¾	100¾
Stand. Oil (Ind.) 8½pc '88	100½	101½
Tenneco 7¾pc 1987	90¾	91¾
Transocean 8pc 1986	99½	100½
Utah 8pc 1987	95½	96½
Volvo 9½pc 1985	101¼	102¼
NOTES		
Air France 9½pc 1982	101¾	102¾
Ardal 9½pc 1980	101¾	102¾
Aust. Ind. Dev. 10¼pc '81	103½	104½
Barclays 9½pc 1982	100½	101½
Cie Ntl. du Rhone 10pc '82	103½	104½
Du Pont 7¾pc 1978	101¼	102¼
Esso 7½pc 1978	100¼	101¼
General Motors 8½pc 1976	100¼	101¼
Montreal 9¾pc 1981	101¾	102¾
Nippon Steel 9½pc 1980	100¾	101¾
Norway 9pc 1980	102	103
Skand. Enskilda 10½pc 1981	104¾	105¾
CONVERTIBLES		
American Express 4¾pc '87	87	89
Ashland 5pc 1988	83	85
Beatrice Foods 4½pc 1992	96	98
Beatrice Foods 4½pc 1992	105	107
Borden 5pc 1992	96	98
Broadway Hale 4¾pc 1987	76	78
Canon Camera 7¾pc 1989	104	106
Carnation 4pc 1987	52	54
Chevron 5pc 1988	101	103
Dart 4¾pc 1987	89	91
Eastman Kodak 4½pc 1988	121	123
Economic Labs. 4¾pc 1987	81	83
Eidai 7¾pc 1989	92	94
Fed. Dept. Stores 4½pc '85	129	131
Firestone 5pc 1988	93	95
Ford 6pc 1986	92½	94½
Ford 5pc 1988	81	83
General Electric 4¼pc 1987	88	90
Gillette 4¾pc 1987	77	79
Gould 5pc 1987	90	92
Gulf and Western 5pc 1988	92	99
Harris 5pc 1992	77	79
Honeywell 6pc 1986	83	85
ITT 4½pc 1987	71	73
Komatsu 7¾pc 1990	107½	109

	Bid	Offer
J. Ray McDermott 4¾pc '87	131	133
Mitsui 7¼pc 1990	109	110½
J. P. Morgan 4¼pc 1987	114	116
Nabisco 5¼pc 1988	95	97
Owens Illinois 4½pc 1987	98	100
J. C. Penney 4½pc 1987	84	86
Pioneer 6½pc 1989	218	223
Rank 4½pc 1993	19	21
Revlon 4¾pc 1987	100	102
Sperry Rand 4¼pc 1987	97	99
Squibb 4¼pc 1987	84	86
Texaco 4¾pc 1988	77	79
Toshiba 6¾pc 1990	104½	106
Union Carbide 4½pc 1982	124	126
Warner Lambert 4½pc 1987	94	96
Warner Lambert 4¼pc 1988	82	84
Xerox 5pc 1988	77	79

Source: Kidder, Peabody Securities.

RTSG deal with Inchcape

By Our Shipping Correspondent

THE ROLLING Transport Systems Group of companies, specialists in port handling systems, has concluded a series of distributorship agreements with the Inchcape Group. These mean that the group's interests will be represented by Inchcape in Bahrain, the United Arab Emirates, Kuwait and Oman.

Surprise results from Avon

By Jay Palmer

NEW YORK, Feb. 3.

AVON PRODUCTS this reported an unexpected jump in its final quarter profits, lifting its net returns for the full year and months to new record levels.

It is evident that the largely a product of internal economies. Sales for the quarter and the only slightly and remained most earlier outside estimates.

The company, the largest manufacturer of metics and toiletries, fourth quarter sales rose cent. to $444.1m. from Net profits over the three rose 31 per cent. to $54 ing earnings per share cents to $1.12.

Over the full 12 months rose a mere 3 per $1.30bn. Net profits rose cent. to $139m. and earnings share, after an exceptional charge for amending its pany vacation plan, same percentage gain to $2.40.

Despite the excellent ward to a new record level fits, Avon's figures are some bewilderment. Analysts Wall Street note that the pany was one of the few industry expected (because direct sales link with to be able to benefit final quarter 1975 sales.

While this did not presumably will only when the current figures are released, profit margins are dramatically improved. The company return on sales in the final ter is 15 per cent., compared 11 per cent. in the same of last year and under cent. in the three previous ters of 1975

Further gains at UIB

By Michael Blanden

UNITED International the London-based owned by a group of ten achieved a further increase in 1975.

Pre-tax profits rose from to £1.2m., and after profits were up by 20 per from £468.198 to £562.722 bank reports that profits was sustained in all its activity, though market operations made contribution during the half. With substantially interest rates ruling second half, pre-tax rose by only 3.5 per cent. that period.

The bank has seen growth in its assets and term lending, though Alberto Weissmüller, managing director, that UIB was now reducing commitments on medium lending to leave scope developing its fee activities.

At the end of 1975, the total assets were up £163.5m. to £181.2m. medium-term loans represent 43.5 per cent. of the £78.7m.

UIB also states the increased the volume of cated loans in which it pated as manager or co-manager to prime borrowers in Scandinavia, Mexico, the United Emirates and Western and expects further expansion this area in the current year.

Its medium-term commitments at the end of 1975 were from £14.2m. a year earlier £8.6m., with the aim of UIB with "the flexibility to increase its income generation acting manager in new loans for worthy borrowers, particularly from the industrialised when they return to the as economic recovery gets way."

This announcement appears as a matter of record only.

Bank Handlowy w Warszawie S.A.

U.S. $50,000,000

Medium Term Loan

Arranged by

Loeb, Rhoades & Co.

Managed by

Republic National Bank of New York

First Chicago Limited · Rabomerica International Bank N.V. · The Bank of Nova Scotia

Provided by

The First National Bank of Chicago

Rabomerica International Bank N.V. · The Bank of Nova Scotia · Republic National Bank of New York
Partnership Pacific Bank N.V. · Amex Bank Limited · Commonwealth Trading Bank of Australia
International Commercial Bank Limited · Iran Overseas Investment Bank Limited · National City Bank
Royal Bank of Canada International Limited, Nassau · Trade Development Bank · Bank of New Zealand
Banque Belge Pour L'Industrie S.A. · Bergen Bank · Deutsche Genossenschaftskasse
London & Continental Bankers Limited · World Banking Corporation Limited

Agent Bank

First Chicago Limited

January 1976

NORDFINANZ-BANK ZÜRICH

Extracts from Audited Accounts 31 December 1975

	1975 S fr 000	1974 S fr 000
Share Capital	60·0	60
Reserves	57·2	53
Balance Carried Forward	1·0	[illegible]
Total Capital Funds	118·2	113
Customers' Deposits	265·5	261
Cash at Banks	247·2	230
Loans and Bills Discounted	943·0	890
Total Assets	1,238·9	1,180
Profit before Taxation	13·1	11
Profit after Taxation	9·2	8
Dividend	4·8	4

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FINANCIAL TIMES REPORT

Wednesday February 4 1976

OPENCAST MINING

The energy crisis of 1973 gave a boost to the prospects for opencast coal mining, an industry which had been in decline for some time. Production has risen since then to 10m. tons a year, a figure which it is planned will reach 20m. tons by 1980. Known reserves are widespread and large.

and the land returned to its original state (apart from being a few feet lower) was practised in Britain before the last war to reach iron ore in the Jurassic Escarpment running from Yorkshire south down through Lincolnshire and the Midlands. The opencast coal mining industry was *born in 1942 as a way of* boosting Britain's coal production quickly and cheaply during the war. The term "legitimate mining" is said to have actually been used at the time by officials to differentiate between this strange upstart of a mining method and the traditional deep mines.

The opencast coal industry might even have been closed at the end of the war had it not been for a desperate fuel shortage *aggravated by the harsh* winter of 1947. The result of the fuel crisis was that opencast mining was expanded as fast as possible as a vital contribution to the nation's fuel needs. By 1958 the Opencast Executive, a self-contained unit within the National Coal Board, was making a 14m. tons a year contribution to the total coal output. That year proved to be a high point in opencast production which has not been achieved since. Instead the industry was to suffer a series of misfortunes and contractions from then on, which damaged morale within and warned off *the outside contractors who are* responsible for actually working the opencast sites.

The 1960s were a bad time for the opencast industry. Mr. D. J. Davison, managing director of the Opencast Executive, looks back on it as the "cheap energy era." There was an almost general expectation that increasingly cheap oil supplies would be a permanent feature of economic life. The coal industry was allowed to contract and, not unnaturally, opencast mining was cut back quite drastically to protect jobs in the deep coal mines. By the late

This Report was written by ROY HODSON

1960s the industry was producing under 6m. tons of opencast coal a year, and that from sites already opened up and being worked because they were proving such remarkably good value. No industry can emerge unscathed from a 50 per cent. cutback in output, and the opencast coal industry was no exception.

Opencast mining needed a world fuel crisis to get it *moving again.* The "October" Middle East war in 1973 and the subsequent five-fold increase in oil prices provided that spur. The need for coal output to be expanded and then sustained at a high level in Britain was recognised in the changed world energy situation. It was appreciated that even the discovery of the prolific North Sea oil fields would not reduce Britain's need to run an efficient and productive coal industry. The Opencast Executive of the NCB was given the green light to expand output.

Current thinking about the long-term future of opencast is inclined to put very generous ceilings on the expected eventual total output of opencast. Opencast production has already been brought back to some 10m. tons a year, which represents 8 per cent. of the NCB's total output. The "Plan for Coal," to which the entire industry is now working to achieve a bigger and more efficient coal industry by the mid-1980s, envisages opencast production going to 15m. tons a year by 1980.

Already the sites are being planned and the machinery ordered towards that level of production. But looking further ahead there is a strong feeling in the Executive that 20m. tons a year might be feasible and practical from Britain's opencast sites without causing unreasonable disruption to rural life. The total opencast proven reserves are extensive and space out across many sites in England, Wales and Scotland. During its 33 years opencast mining has produced *200m. tons of coal. But for the* future proven reserves can give 15m. tons of opencast coal a year for the next 30 years. And *known* reserves could extend production for the next 100 years at 15-20m. tons a year.

However, the future of opencast mining depends not so much upon reserves of coal—they are ample and conveniently sited—as upon the continuing goodwill of the nation towards this form of coal extraction. The Opencast Executive has never ravaged the land in the way that opencast coal is torn out in many foreign countries. Indeed it has on occasions removed coal from stately parklands in Yorkshire and the Midlands and replaced everything as left by the 18th century landscape gardeners.

Over the last 10 years the industry has been giving increasing attention to improving the quality of restoration work. *Mr. Davison comments:* "We can now be proud of what we leave behind." In many areas where opencast is conducted in and around old coal workings the land is left in a definitely superior state and dangerous shafts and tunnels are filled in. The Opencast Executive may have a significant role to play in the future, along with government, in helping to restore the large areas of industrial dereliction which still blight many of Britain's older industrial areas. Mr. Davison: "The essence of successful restoration of opencast sites is the planning of coal production and restoration as a single operation. In the view of the Opencast Executive, coal production by opencast methods is but one facet of total land use *and the true costs and benefits* of opencast coal cannot be calculated without taking into account the long-term value, both in commercial and social terms, of the land used for opencast operations."

The technology of shifting the millions of tons of earth to get at coal by opencast means is still essentially based upon the U.S. where strip mining for brown coal is carried out on a far larger scale than can ever be contemplated in Britain.

The removal of top earth and rock to get at the coal perhaps hundreds of feet down is always done by giant walking draglines. The biggest in the world—the 4250-W by Bucyrus-Erie of the U.S. takes "bites" which each represent some 300 tons. Such a giant machine would be too big for even the most extensive open-cast site in Britain. But the machines that are used on the British sites are, nevertheless, *the biggest pieces of* mechanical equipment in the country. As a result of the expansion of opencast mining, Walking drag-lines are now being manufactured in Britain—although with a content of American equipment. In turn this has led to export orders and what looks like a most promising new trading line for the British engineering companies involved. The huge dump trucks used on site by the opencast contractors are also being made in Britain and are being increasingly sold abroad.

Export

Apart from the export of technology, the British opencast contractors also have an export potential in the skills they have acquired in opencast site restoration under the strict control of the Opencast Executive. Other countries are becoming more conscious of environmental problems these days, and the mining ministers of other countries have become frequent visitors to the British *opencast sites to see how it is* done.

A final attraction of opencast coal mining—although always a subsidiary factor—is that it is a very cheap way of getting coal. Mr. Alex Eadie, of the Energy Ministry, recently told the Commons that the annual profit per ton on NCB opencast output had risen to £1.76p a ton, while the cost of agricultural restoration and compensation for each ton of opencast worked out at 24p. In comparison the NCB loses money on every ton of deep coal mined or, at best, breaks even in a good year.

Contract system

OPENCAST COAL mining in Britain involves digging the equivalent of a new Suez Canal every year as 16 tons of spoil are shifted to reach every ton of coal. The work represents by far the biggest continuing single work load for Britain's civil engineers, as the list of the big names involved indicates.

The Opencast Executive of the NCB has a list of approved contractors from whom it seeks tenders for new opencast contracts. Among the leading companies on the list are Wimpeys, Costains, Crouch, Lindsey Parkinson, Taylor Woodrow, Shand, and Murphy Bros. Wimpeys, to *take one leading company in*volved, has been working for the NCB almost continuously since Vesting Day for the coal industry in 1947.

Contracts are totalling about £100m. a year at the present time and will be at least 50 per cent. up on that figure by 1980 as the opencast work is expanded. A typical contract price at current levels would be for the contractor to take up an NCB contract for a payment of about *£10 for every ton of coal won* from the site. Reduced to a single figure the contracting system looks straightforward enough. Yet it is in reality a most complicated business involving a good deal of keen estimating on the part of both contractors tendering and the Opencast Executive to strike a fair price without serious risk of a bonanza for one party and serious losses for the other.

Out of the top 20 contractors on the Opencast Executive list it is usual for about five to tender for each job. To be on the list at all is a prize in the *contracting* world and the Opencast Executive usually has a waiting list of about ten hopeful contractors.

The skills acquired by the contractors are now arousing interest overseas where there is an increasing awareness of the need to reinstate land after opencast workings. "What Britain can now offer the world is a particular skill of muck-shifting in reverse," one open*cast expert put it.* Areas with a big export potential for these skills are predominantly the Middle East, Australia, South Africa and America. There is likely to be a big boom in land restoration in the U.S. as a result of environmental pressures.

The system of using private sector contractors to work the State-owned opencast operations would not work without a peculiarly high degree of cooperation at the technical level. No contractor is in a position to win an opencast contract and then move on to the site within days or weeks complete with walking-dragline, mechanical shovels, and a fleet of dump trucks together with all *the smaller plant needed.* The Opencast Executive has, therefore, devised its own plant ordering system to ensure that capital equipment will be available when and where it is needed in spite of long and variable delivery periods quoted by the world's few manufacturers of the big equipment.

Equipment

The Opencast Executive's engineers, working from the forward plans for opening up opencast sites for several years ahead—and influenced by the progress of permissions from Government and the effects of public inquiries—try to forward-order sufficient equipment in the executive's own name to ensure that there will always be equipment available when a site is ready to work.

That can mean ordering giant drag-lines for four or five years *ahead and dump trucks by the* dozen. The system enables the Opencast Executive to collaborate closely with manufacturers to provide the right sort of plant for the British sites. It also enables British companies to be encouraged into these areas of manufacture with the promise of *future orders.*

When a tender has been accepted the Board then turns over to the successful tenderer either its orders for the plant which is soon to come out of the factory, or the actual plant should it have arrived. At the present time the NCB has more *than 30 excavators on order* capable of shifting a total "bite" of more than 300 cubic yards a minute. They are worth more than £20m. Presumably they will be worth a lot more by the time they are delivered. The NCB, during the recent inflation of prices, could have made a *financial killing by passing over* its ordered equipment to contractors at the latest ruling prices. In fact, the policy is that the Board should neither make money nor lose money on this plant-ordering service. If the Opencast Executive holds the machines in stock it charges *interest on the capital when the* contractor finally take them over to go into a new site.

A site for sore eyes.

An opencast coal mine is not a pretty site.
No one is more aware of the fact than the NCB Opencast
…tive. That's why, when every new site is contemplated
…thing is planned to lessen the inconvenience to the
… and limit disruption of the environment. Methods
…uration of site working are discussed and even the
…ual restoration planned.
After authorisation, every site has the offer of a liaison
…ittee comprised of the mining contractor, the public
…e NCB—so the day-to-day operations are monitored.
Opencast sites are not permanent industrial activities
…verage life is 3-4 years, but they do play a major part
…ducing Britain's coal.
Opencast production is also used to improve certain
…s of deep mine coal to suit user's needs. Currently,
10 million tons are produced from opencast coal sites.
…30 this will be 15 million tons as agreed in Britain's
…or Coal.
The NCB cares for the environment too. Since 1942
20,000 acres of land has been restored after opencasting.
…g the next five years a further 13,000 acres will be
…d under the supervision of the Ministry of Agriculture.

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Long-term programme well under way

NOW THAT the Opencast Executive of the National Coal Board knows where it is going in terms of its long-term programme for expanding production under the Government-approved Plan for Coal it is not wasting any time. The level of opencast mining is scheduled to rise by 50 per cent. by 1980 with a production target for that year of 15m. tons. From then on it is quite likely to go on rising to some 20m. tons a year. Opencast mining could even go beyond that with the steady improvement of methods of working sites and restoring them satisfactorily. The reserves are already adequate for 100 years and now that the NCB is stepping up its rate of drilling exploratory bore-holes for coal deposits it is almost certain that more coal will be found that will be suitable for working by the opencast method.

Coal exploration had been neglected in Britain for many years until the new NCB programme began. For instance the deep Selby coalfield which is a tremendous find sufficient to supply some 15m. tons a year for more than a century was missed by drillers exploring the East Yorkshire area in the early 1900s and was not eventually discovered until very recently.

The main areas of shallow coal, are in South Wales, South Yorkshire, the Midlands, South Lancashire, the North East and Scotland. Some of the coal is under good countryside, hill land, or parkland, but much of it is in areas where mining has been going on for many years and which, in consequence, have already suffered much industrial dereliction. It is the intention of the Opencast Executive to leave the virgin areas as good as they find them and to actually leave the derelict areas in a far better state after extracting the coal.

Decision

All applications for opencast sites are within the province of the Energy Minister. Usually there is a public inquiry, and it is the Minister who makes the decision whether or not to license a particular site to be worked. The Opencast Executive has been running between 45 and 50 sites at any one time. The actual working of the sites is always put out to contractors on the Executive's approved list To meet the demands for more production the Executive must now open up more sites and in some cases perhaps extend the life of sites being worked. The average life of a site is in the region of 10-15 years but it could be longer; or it could be as short a life as two to three years. Thus the availability of sites to cope with a tonnage target must always be a delicate balancing act for the planners.

Since 1942 the opencast industry has restored over 120,000 acres of land to agriculture after extracting coal and has improved 1,600 derelict acres which had been old mine workings, leaving it as good agricultural land. At any one time there are now some 36,000 acres in total being worked as opencast sites. Clearly that figure will rise sharply during the next few years as the big expansion gets under way.

The Executive has applied for 31 new sites to cope with its planned expansion. Mr. Benn, the Energy Minister, will give those applications much more urgent attention than has been the case in previous years when applications have been put in. The past form was that applications could languish for years with the Government while the possible environmental and political problems involved with each site were assessed. Now there is a much greater sense of urgency to get on with extracting the coal.

Land is not the only factor in the expansion. The Opencast Executive, from its headquarters at Harrow, is busy forward-ordering the necessary big machines to work new sites for there is a lag between order and delivery of up to four years on the really heavy equipment.

The current capital investment in opencast mining is some £160m. including the contractors' own equipment. Clearly investment will rise sharply to cope with the expanding production but it will be small in relation to the industry's turnover of more than £200m. a year.

Three types of coal are basically involved when considering the effectiveness of the opencast method. First there is steam-raising coal for the Central Electricity Generating Board. The object here is to extract it from the largest possible sites and to send it by merry-go-round train systems direct to power stations. Other sites yield coking coal for the steel industry, which is a valuable coal and likely to be in increasingly short supply round the world. Finally there are the anthracite deposits. Anthracite is sometimes called the "black diamonds" of the coal industry for it is the hard, smokeless fuel which is most favoured for the domestic market. The Opencast Executive know that their best anthracite sources are in South Wales. They have opencast workings along the southern edge of the South Wales coalfield and regard these workings as among their most valuable. Such has been the world shortage of anthracite recently that the NCB has been forced to import some supplies from North Vietnam. The price of the fuel has soared meanwhile.

One of the biggest anthracite opencast sites was started as far back as 1949 when the predecessors to the present Opencast Executive took off the top of a mountain at Maesgwyn Cap in West Glamorgan to get at the anthracite. Other anthracite supplies were buried under the spoil.

With the new demand for anthracite and the high prices it is fetching it has become economic for the Opencast Executive to move that spoil for a second time to get at the remaining anthracite. They reckon that to move a mountain once is a praiseworthy effort but to move a mountain twice is a quite exceptional feat.

Political

If the opencast expansion programme is delayed it will not be because of technical problems or the lack of knowledge of coal reserves. It will be because that continuing fear of the rape of the countryside inhibits the necessary political decisions to release new sites. An able and sustained public relations presentation will be necessary by the NCB to convince the public at large of what the industry itself knows: that modern restoration methods together with the acquired skills of working sites with the minimum of noise and disturbance can make opencast mining a generally acceptable way of securing energy supplies.

Mr. Davidson of the Opencast Executive put it like this: "The fundamental issue is ... the country accepts ... wherever there are ... serves which can be ... without violating the ... ment in a totally unac... manner, then these res... only should be worked ... must be worked ... extremely blinkered ... to assume that we can ... tarily decide to sacrifice ... cast coal reserves. We ... know that we can rest... which has been opencast ... a totally acceptable ... against this background ... issue as to whether coal ... be worked or not should ... where the benefit of the ... is given to working rather ... the reverse. If this ... principle is accepted ... reasonable then the ... argument should be in ... to the level of overall ... tion rather than the pr... from individual sites."

A clearer Government ... towards the licensing ... must emerge if the ... Executive of the NCB is ... its planned contribution ... total coal target for the ... Opencast coal may ... more than some 10 p... of coal output in Britain ... is a most important fra... the opencast workings ... bute a range of coal ty... qualities which are im... to the NCB in its to... For instance it has be... sible more than once ... long the life of a dee... working poor quality ... mixing that coal—for ... station use—with higher ... opencast coal being ... in the same area ... veniently near both the ... and the customer ... stations.

"Big Geordie"—the largest walking drag-line currently working in Britain.

High standards set for reclamation

WHILE THE British opencast sites are worked by independent contractors, full responsibility for, and control of, restoration and reclamation of the land involved belongs with the National Coal Board through the board's Opencast Executive. The land can be broadly divided into two categories. There is good agricultural land, which is returned to the farmer. And there is forest land requiring replanting with trees to restore it to its original state. The board even has its own tree nursery to keep a steady supply of strong young trees ready for sites in the process of restoration.

There is a third kind of site, and that is an area of industrial dereliction; old mine workings and the like, which is an eyesore when first worked and always emerges after the Opencast Executive has finished as a far more pleasant piece of Britain than before. On some such sites dozens of old shallow mine shafts are found and destroyed as the digging does down some hundreds of feet to reach the coal. Those sites yield many artifacts from old mining days, including such items as leather harnesses worn by children as they dragged the tubs of coal along underground. Work on this kind of site also involves making it safer for the future. Old mine shafts are notoriously dangerous. The Opencast Executive blocks those that remain by capping them with concrete 2-feet thick.

Baffle

When work gets under way on an opencast site the first major task is to strip off the topsoil and store it at the sides of the site to form baffle mounds and thus screen the site visually and cut down noise. The topsoil is usually only about 9 inches deep. After that comes about 2 ft. of subsoil. The subsoil also is stored in baffle mounds. Then comes the major task of digging down through hundreds of feet of compacted rock and gravel to reach the first layers of coal. The big walking drag-lines are assembled for that task and start a 22-hour a day stint. Much blasting is often necessary to break up the rock before the drag-line can get into it. The very term opencast stems from the drag-line part of the operation. As the giant machine, driven by one man, scoops up several tons at a time it digs a trench called a box-cut and deposits the spoil to one side in a series of conical hillocks that look like enormous worm casts. The mechanical shovels follow when the coal is revealed and clear all the coal seams revealed in the box cut. Then the drag-line starts a second box cut alongside the first but this time depositing its spoil to fill the first box cut.

The process is continued all the way across the site ... final box cut is cleared ... the dump trucks take ... from the first box cut, ... standing in a series of ... at the starting point of ... and transport it across ... final trench to fill it up ... result of that sequence is ... site but lower by several ... the thickness of the co... has been removed.

Contours

The land is then reg... mechanical equipment ... original contours. Fin... subsoil and topsoil fro... baffle mounds is ... Before it is spread ... through a process called ... ing." The soil is ... cleaned to remove ... boulders, contractor's deb... anything which might ... the land or turn a pl... the future. So it is ... land when it goes back ...

CONTINUED ON NEXT PAGE

RAPIER
Walking Draglines

Ransomes & Rapier Limited, one of the pioneers of very large electric Walking Draglines, announce the early availability of their current range of machines.
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W1300	1300	22–35	201–300	44
W2000	2000	32–45	247–316	50
W3000	3000	56–70	300–350	65

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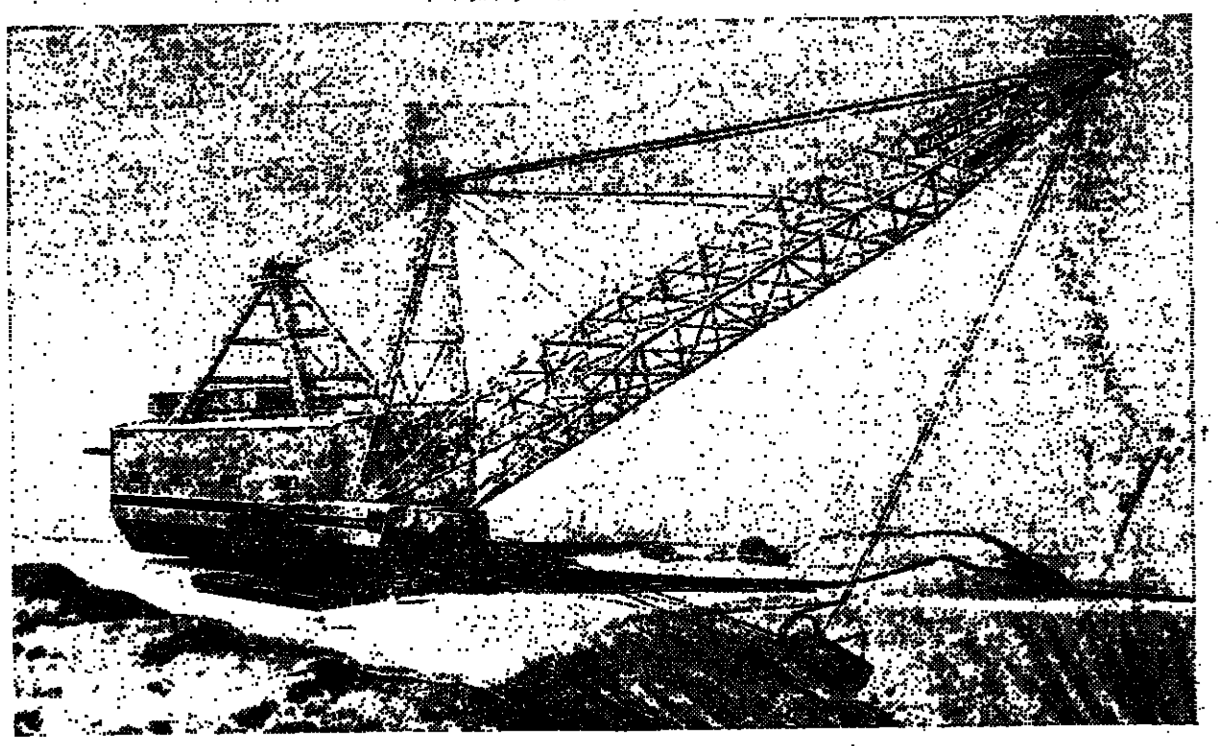

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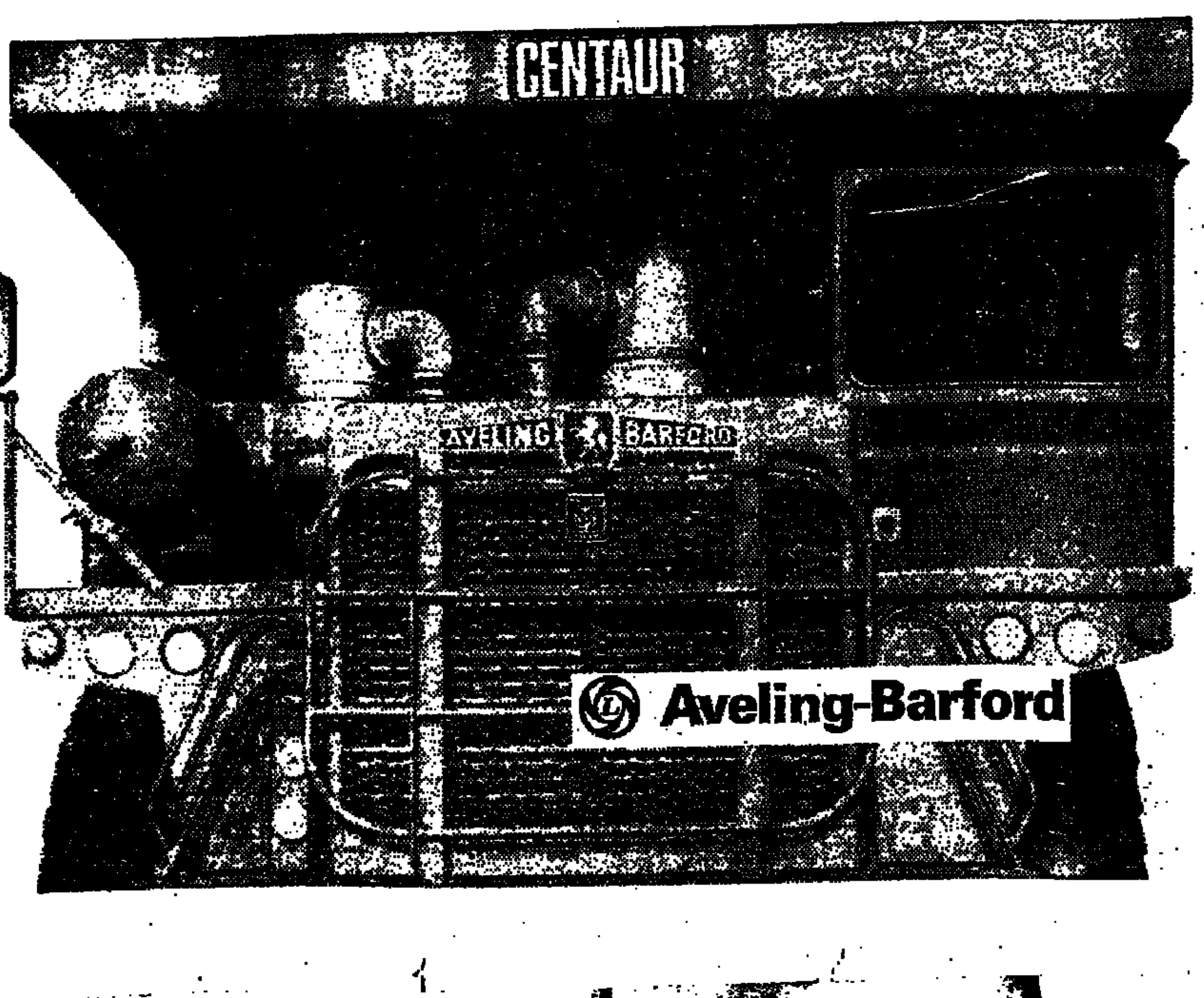


Technology founded on the walking drag-line

ARE times in the ...ent of a multi-million ...cast coal site when the ...going forward fast and ...he hands of just three ...en. That is during the ... of digging down ... of feet through over- ...o get at the coal. A ...lking drag-line will ... the site steadily tak- ...e of several tons every ...nd depositing the spoil ... one side for the later ... of backfilling. The ...ale of the monster is ... grasp until a man ... alongside. He is ...even by the machine's ... which it can take ...s forward.

...n is driving the drag- ...mewhere on the site ...l be a small back-up ...itters and electricians ... over the machine ... But it is likely to ...hecking and mainten- ... only two hours in ... As for endurance ... ... engineers find the ... of these machines ... The life of them ... be 25-30 years. And ...e they can repay their ...t over and over again. ...e equivalent of their ...t every 90 minutes.

...t coal mining with all ...ial costings and use- ... Britain to back up ... mines would not be ...ere it not for the tech- ...ncompassed in the ...rag-line. No other ... could get through ... rock and clay to the ...er jetting would not ... it would upset the ... in many parts of the

...B knows what it can ...f its machines and ...m hard. One was ... major overhaul ... The chief engineer ... will expect him to ...out another stoppage ...t 13 years."

...chnology is almost ...nerican in origin for ...eloped for their vast strip-mine sites. Big Geordie the biggest drag-line currently working in Britain was built by Bucyrus Erie of America and assembled on site in England. They are far too big to be moved in one piece as a rule, although there was a spectacular journey a few years ago when one of the iron-ore drag-lines in the Midlands was allowed to "walk" from one site to another across country after the way had been carefully negotiated.

An English associate of the American Bucyrus is Ruston Bucyrus of Lincoln, and the NCB has ordered two big drag-lines to be built by that company in Britain. They will be by far the biggest ever constructed here. The project has come about as a result of the Opencast Executive persuading the American company to manufacture in Britain and the new machines will have about 60 per cent. British content plus all spares back-up. One is to be assembled on a site at Coalfield Farm, Leicestershire, by Sir *Lindsey Parkinson and Leonard* Fairclough, and the other is to go to a site in the North East. Each of these machines is costing some £4m. and weighs 1,500 tons.

Already there is a useful spin-off from the Coal Board's enterprise in having them manufactured in Britain. The Lincoln company has landed several oversea orders for more machines.

Smaller

Meanwhile smaller walking drag-lines which are suitable for many of the NCB sites are also being built by Ruston Bucyrus but these are all-English with electric equipment provided by GEC (U.K.) who part-own Rustons.

Another company, Ransome and Rapier, have made the large machines in the past and are now offering a new design to come back into the market. The Opencast Executive are very interested.

The NCB policy is to buy British equipment whenever possible. For its dump trucks it often turns to vehicles made in Scotland by General Motors and marketed by the Blackwood Hodge Organisation. Aveling Barford dump trucks are also used on the sites.

The dump trucks within the opencast sites are themselves mighty pieces of machinery and the NCB is aiming these days for capacities of around 50 tons. At present they are using on sites the equivalent of 400 trucks of 50-ton capacity. As the expansion of the opencast industry goes on during the next five years that fleet will be increased to some 600 trucks. They cost about £90,000 each at present.

Caterpillar, the American company which has an excellent world-wide name for its products, has a large British subsidiary and is considering developing a dump truck in Britain.

With *the ultimate responsi*bility for shifting some 300m. tons of overburden each year the NCB gives a lot of thought to the equipment used on its sites. There are also basic decisions to be made well in advance of working sites on the geological knowledge available. Is the gear for that site to be shovel or dragline? Should it be electric or diesel? Should a single large machine or several small ones be employed?

Most opencast sites that are now being worked in Britain are using excavators in the 6-8 cubic yard range. Every half minute such a machine will shift its load. The largest sites are worked by the giants, however, which can shift up to 30 or 40 cubic yards every minute. Big Geordie himself takes a 100-ton bite every 75 seconds.

Drag-line operators have the sort of job that every schoolboy dreams of. The operator's compartment on a giant excavator of to-day is an air-conditioned, temperature-controlled cab with all-round vision. The controls are at the operator's fingertips. He has 4,000 horsepower to use to power a single bucket as it tears through the ground.

A recent review by the Opencast Executive showed that about 30 per cent. of the equipment in use is more than 10 years old. That represents excavators capable of a combined "bite" of some 400 cubic yards. They will be replaced during the next five years to seven years. That means that the opencast sites will probably be reinforced each year by two diesel draglines of seven cubic yards each, four electric machines of seven cubic yards each, and two electric shovels of 12 cubic yards each. A new giant walking drag-line will be ready in 1982 and another in 1984.

Satisfactory

The Coal Board will certainly continue its policy of co-operating with the private enterprise manufacturers of giant *earth-moving equipment* for they have found it a mutually satisfactory arrangement all the way. It has been profitable for the Board, for the civil engineers, and for the plant manufacturers.

The fact that the opencast coal industry in Britain, with a *combined turnover* each year of £200m. including coal and plant, is now the biggest home market for British manufacturers of earthmoving equipment is an important reason why the opencast industry must have stability in the future. The wild swings in opencast coal production during the last 30 years were most damaging to the plant makers. Now they are prepared to believe that Britain's opencast coal production will be sustained and expanded without unexpected interruptions in the demand for new equipment. That fact is encouraging them to put down new facilities and to go in for new models. The benefit to Britain will be felt as those companies build up export markets in big earth-moving equipment. It is not a dream but a practical opportunity Already good business is being done in the Middle East where the potential is enormous. There is even a good chance the British makers will be selling into the American market from where the technology came in the first place.

Reclamation

CONTINUED FROM PREVIOUS PAGE

ever was before the work started.

The sort of imaginative use of land that can result from the opencast process properly applied is to be seen in the Midlands new town of Telford, which is being developed on the old industrial area beside the Severn where the first industrial revolution of coal and iron was cradled. The opencast Executive is working in co-operation with Telford Development Corporation to establish building ground from land made derelict and dangerous by old mine workings. After mining 1.3m. tons of power station coal, about 520 acres of land will have been reclaimed. Over 200 old and dangerous disused pit shafts and derelict buildings have been removed. *Telford is* gaining land which would have cost them £10,000 an acre to reclaim themselves.

Another example of the Executive's work — only now just starting—is the Butterwell opencast site in Northumberland. This 2,000-acre site is the biggest the Opencast Executive has yet applied for and the application has been in for more than eight years. During that time the NCB has actually refreshed its application three times and has appeared before two public inquiries. There are 12m. tons of coal beneath Butterwell and it is all good stuff within easy reach of power stations. The wait has been worth it in the NCB's view.

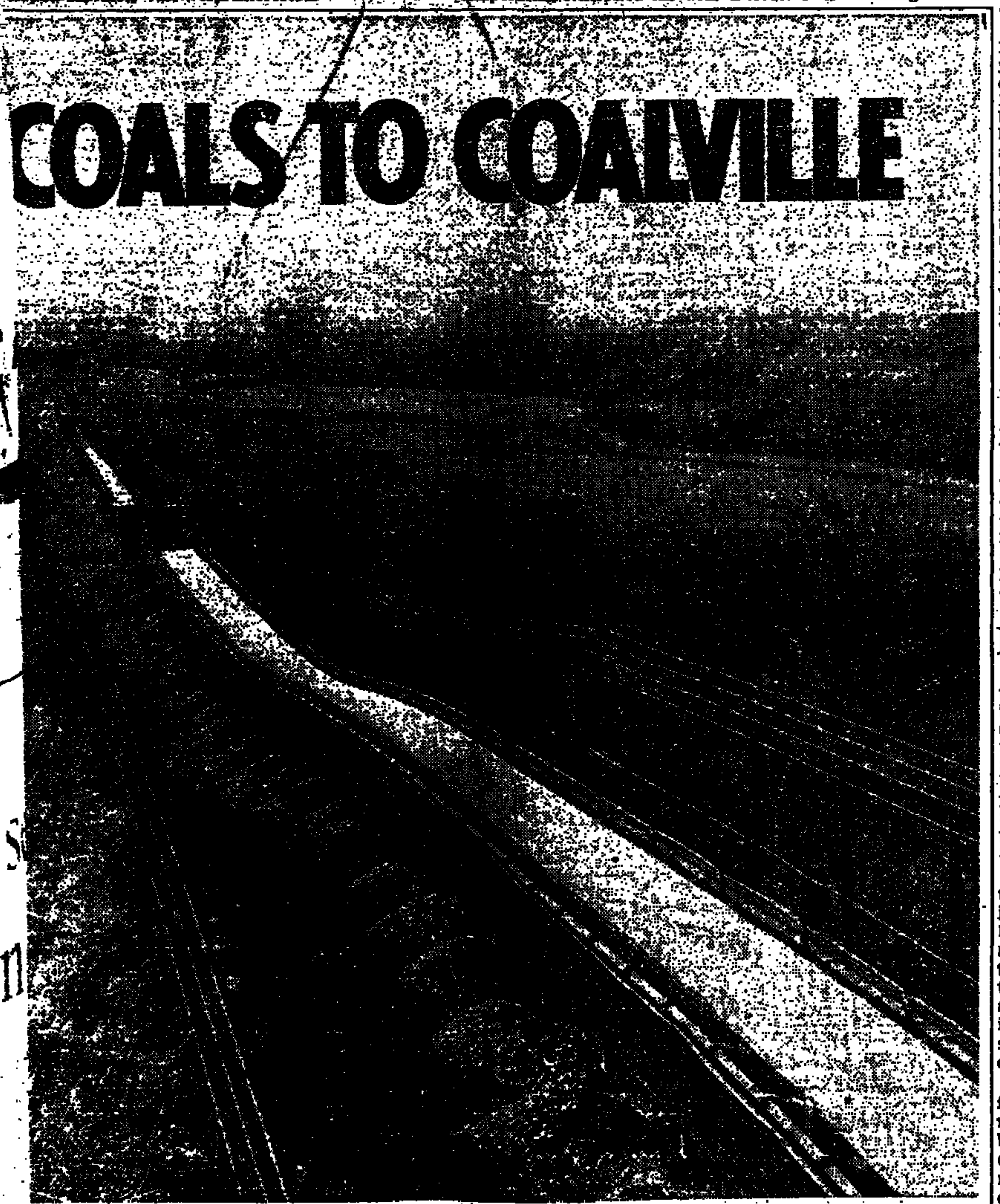
It will take at least 10 years to work the Butterwell site. In this case the earth baffles will be nearly 100-feet high to screen the village of Hebron. A new disposal point for coal will be *built, and there is to be a* reservoir to supply water for bowsers to keep down dust. Some of the Butterwell coal—more than 1m. tons every year is the expected output—will be shipped out of the port of Blyth to power stations in the south of England.

Disturbance

The view of Mr. Davison of the Opencast Executive is that it is pointless to pretend that opencast coal working does not represent a major disturbance in the area in which it occurs. He wants to make sure that people can live with such disturbance and that everything possible will be done to minimise it.

The movement to gain respectability for opencast coal mining has been much encouraged lately by the response of local authorities, who are realising that definite benefits can accrue to them in terms of good land and lakes in return for allowing the Opencast Executive to spend a few years extracting coal.

The authorities are looking for lakes for water sports, nature areas, open spaces to balance housing and such incidentals as ski slopes made from reclaimed land heaps. A good example of a large area restored to a leisure park and water space amenity after opencast working is at Shipley Lake, Derbyshire. The restoration of a 1,000-acre scenic area is now complete and maturing. There are to be water sport facilities on a 32-acre lake, an 18-hole golf course, a nine-hole pitch and putt course, camping areas, a wildfowl reserve and sports fields. The lake area is due to open in *May this year, and* Derbyshire County Council hope it will relieve the pressure of public use on the Peak National Park which is becoming a trifle threadbare in places from the scuffling of too many pairs of feet.



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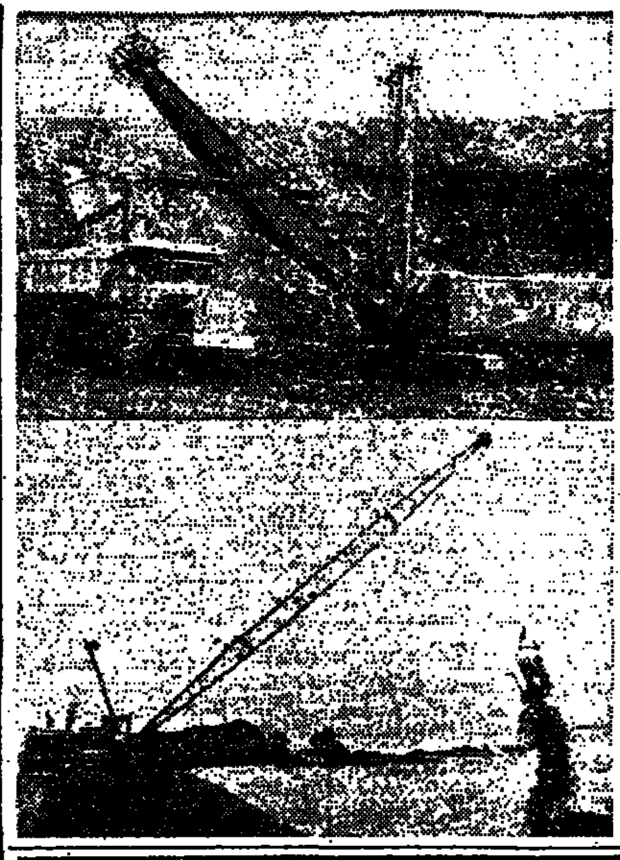
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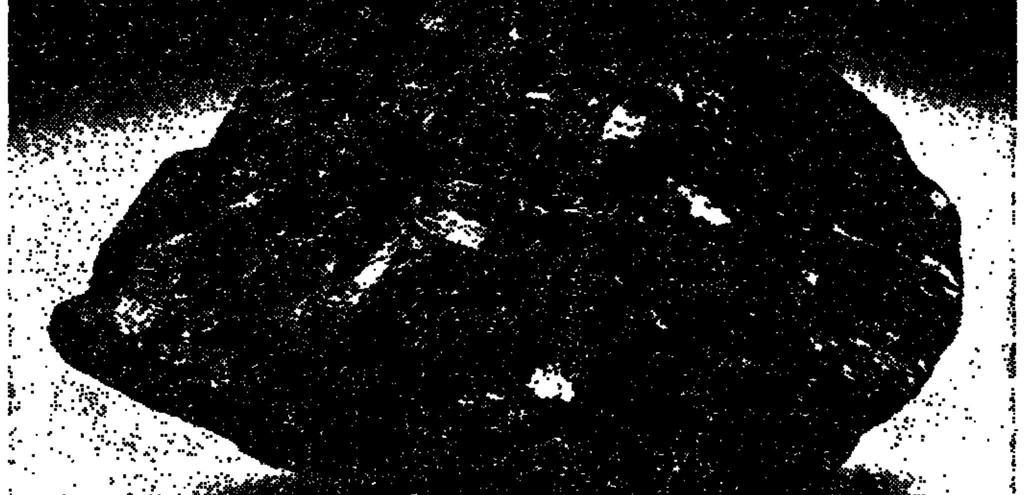
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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early moderate gains on fresh demand

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Feb. 3.

MODERATE GAINS predominated on Wall Street to-day, with optimism about the U.S. economy and the Stock Market's strong New Year advance continuing to bring in fresh investment money from the sidelines.

The Dow Jones Industrial Average, however, was off 1.97 at 969.38 by 1 p.m., but the NYSE All-Common Index was up 14 cents to $53.73 and more than twice as many issues advanced as declined. Turnover expanded 8.35m. shares to 20m., compared with 1 p.m. yesterday.

Stocks digested comments on the outlook for the U.S. economy by top Government officials.

Mr. Simon, Treasury Secretary, told the House Budget Committee that inflation is still a danger that could abort the economic recovery, while Dr. Arthur Burns, chairman of the Federal Reserve Board, testifying before the House Banking Committee, projected growth for the narrowly defined money supply which would prove adequate to finance a good expansion of economic activity in 1976.

Closing prices and market reports were not available for this edition.

Individual issues responded favourably to corporate news.

United Technologies put on $1 to $54¾ on higher fourth quarter profits.

Clark Oil and Refining picked up $⅞ to $11¼, following a profit for the fourth quarter compared with a loss a year earlier.

Aluminium Co. of America were up $½ to $45¼ after announcing some price increases on common alloy sheet products and a few plate products.

Heavily traded Avon Products added $1⅞ at $42¼ following improved fourth quarter profits.

Abbott Laboratories surrendered $1 to $41¼, but Williams Companies were lifted $1⅜ to $26⅜ on a gas find in South Louisiana.

Superior Oil jumped $9½ to $185 after a delayed opening—the company said it knew of no reason for the activity in its stock.

Control Data gained $1 to $26¼, reflecting its profit in the fourth quarter of 1975 compared with a loss in the year ago period.

The American SE Market Value Index rose 0.30 to 96.97, while the turnover expanded 1.29m. shares to 2.84m. compared with 1 p.m. yesterday.

A stock seat on the American SE sold for $47,000, up $2,000 from the last sale on January 28.

Canada moves up

Canadian Stock Markets moved up over a wide range yesterday morning, with Utilities, off 0.26 at 137.63 on Index, moving against the general trend.

The Industrial Index rose 1.11 to 188.76, Golds 2.69 to 275.37, Base Metals 0.65 to 82.95, Western Oils 0.54 to 210.52, Banks 3.13 to 251.79 and Papers 1.66 to 117.50.

Monarch Life put on $1 to $27 on higher 1975 earnings, while Bank of Nova Scotia gained $½ to $42. Canadian Imperial Bank $⅜ to $27¼ and Royal Trust "A" $¼ to $24¼.

International Nickel were up $½ to $30, despite weaker earnings. Macmillan Bloedel gained $¼ to $21⅞ in the face of a dividend omission.

OTHER MARKETS

PARIS—Slightly lower in dull trading.

Oils weakened sharply on profit-taking, while Chemicals, Stores, Rubbers and Foods were easier.

Most other sectors were mixed, with only Financials and Metals steady.

Americans, Germans, Dutch International Oils and Coppers also were mixed. Golds rose.

BRUSSELS—Modest gains predominated in continued lively trading.

Steels rose a little, Electrical and Utilities finished steady, Metals were mostly higher, Chemicals firmed. Oils were little changed, Holdings hardened, while Stores were higher.

U.S. shares finished generally steady, South African Gold Mines advanced, while small gains were recorded in French, German and Dutch sectors.

AMSTERDAM—Predominantly higher.

Banks and Insurances gained strongly. Transportations were mixed. Holland America Line Holding were up Fls.6 and KLM Fls.7.50, but Van Ommeren were down Fls.0.50.

Many Dutch Industrials rose. Heineken Beer put on Fls.3.30, Ahold Fls.2 and Ballast-Nedam Contracting Fls.1.50, VMF-Stork Engineering were up Fls.2 at 138 and Nutricia Fls.4.50 at 74.50.

Bond-Market Long Terms gained an average of Fls.0.30 to Fls.0.50. Short-Terms were steady.

GERMANY—Slightly off but above weak opening quotes.

In Banks, Commerz lost DM1.70 to DM205.50, Dresdner DM1.50 to DM257.50 and Deutsche DM1 to DM326.50. Chemicals were little changed, although Chemie Verwaltung fell DM2.10 to DM232 and Schering DM4 to DM366.

In Motors, BMW gained DM2.50 to DM269.50.

Public Bonds gained up to DM0.25. Deutsche Bundesbank sold DM3.2m. worth of Public stock.

SWITZERLAND—Mixed in fairly active trading.

Banks and Financials were steady, Industrials and Chemicals mixed, while Insurances firmed.

Swissair Bearer rose Frs.12 to 502 on its "satisfactory performance" in 1975.

U.S. stocks were narrowly mixed, while Dutch and German shares were steady in moderate trading.

OSLO—Trading was slow.

VIENNA—Narrowly mixed in slow trading.

COPENHAGEN—Sharply lower in active dealings.

MILAN—Mixed to lower in reduced trading, influenced by the uncertain Italian political situation and the lira's weakness.

Bonds moved lower, despite some support buying.

TOKYO—Lower on increased liquidations prompted by the new tighter Margin Trading curbs, effective from Monday. Volume 300m. (same) shares.

Shipbuildings, Steels and Heavy Electricals led the decline, while Motors, Non-Ferrous Metals, Oils, Machinery and Non-Life Insurances also eased.

Nippon Steel shed Y3 to 131 and Toyo Kogyo Y10 to 272.

Kyoto Ceramic, however, leaped Y200 to 4,800.

Marudai Food were up Y30 to 1,380, Nissin Food up Y30 to 2,130 and Toyoda Spinning Y13 to 463. Shimano Kogyo climbed Y33 to 693.

JOHANNESBURG—Gold shares moved ahead on bullion price considerations. "Heavyweights" gained up to 100 cents, while other issues were around 10 to 25 cents harder.

Financial Minings were extremely quiet. Platinums were unchanged to fractionally lower, while Coppers were quietly higher.

AUSTRALIA—Prices retreated in most sectors on sustained profit-taking. Traders tended to stay on the sidelines to await the outcome of the National Wage Hearing, which started in Melbourne.

Uraniums bore the brunt of the selling, with Pancontinental dropping $A3 to $A17 and Old Mines shed 15 cents to $A2.55. But Peko-Wallsend were well supported and rose 30 cents to $A5.

In Coals, Utah declined 10 cents to $A9.70.

Mercantile Mutual fell 26 cents to $A3, reacting belatedly to the withdrawal of the AGC bid.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Feb. 2	71.21	199.03	971.35	91.00	24,000
Jan. 30	71.26	199.35	975.28	90.87	38,510
29	71.20	198.05	968.75	91.07	29,300
28	71.15	195.24	951.36	90.65	27,370
27	70.82	197.26	957.21	90.75	32,070
26	70.94	197.28	961.51	90.65	34,470
23	70.90	197.58	955.96	90.63	35,640
22	70.85	195.57	943.48	89.88	27,4..
21	70.85	196.77	946.28	90.24	34,470
20	70.73	197.42	949.86	90.39	36,690
19	70.67	196.08	943.72	90.50	29,450
16	70.68	191.52	929.63	89.95	25,940
15	70.54	190.55	924.51	89.54	38,450
14	70.35	190.69	929.63	89.24	30,340
13	70.27	187.11	912.94	88.29	34,530
12	70.08	188.41	922.38	88.70	30,440
9	69.82	186.61	911.15	87.97	26,510
8	69.77	185.06	907.98	87.71	29,030
1975-76 High	71.21 (2/2/76)	199.35 (30/1/76)	975.28 (30/1/76)	91.07 (29/1/76)	—
Low	68.16 (3/1)	146.47 (2/1)	862.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	165.32 (20/4/65)	38,510 (30/1/76)
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Jan. 30	Jan. 23	Jan. 31 1975
3.83	3.92	5.38

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	1975-76 Low	Feb. 2	Jan 30	Jan 29	Jan 22	Jan 27
53.59 (3/2)	37.06 (2/1)	53.59	53.55	53.12	52.28	52.55

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,905	838	666	401

	Feb. 2	Jan 30	Jan 29	Jan 28	Jan 27
New Highs	212	549	268	126	258
Lows	Nil	Nil	3	two	one

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975-76 High	1975-76 Low	Feb. 2	Jan 30	Jan 29	Jan 28	Jan 27
	96.78 (15/7)	62.20 (2/1)	96.67	96.29	95.62	94.66	94.95
Volume (000's)			5,160	4,050	3,520	5,050	5,480

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Feb. 2	113.12	100.57
Jan. 30	112.18	100.85
29	112.23	100.11
28	110.36	98.33
27	111.09	99.07
26	111.73	99.63
23	111.16	99.21
1975-76 High	113.12 (2/2/76)	100.57 (2/2/76)
1975-76 Low	77.71 (2/1)	70.74 (3/1)

* 425 Industrials, † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Jan. 28 1976	Jan. 21 1976	Feb. 5 1975
Ind. Ord. yield pc	3.43	3.42	4.34
Ind. Ord. p/e ratio	13.37	13.58	8.64
Long-term Govt. Bds. per cent.	5.88	5.81	6.21

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Merill Lynch	268,700	24⅜	+1½
Westinghouse Elec.	250,200	15⅞	−⅛
Amer. Tel. Tel.	244,500	53	—
Citicorp	232,300	32⅝	+¼
Singer	209,200	13⅜	—
Coastal States Gas	201,100	11⅛	+⅛
Monroe Equipment	184,900	9⅛	+⅛
RCA	182,800	25⅛	+⅜
General Motors	157,800	64	
Control Data	132,900	25⅛	+⅛

TORONTO

INDUSTRIAL INDEX

Feb. 2	Jan. 30	1975-76 High	1975-76 Low
187.65	187.53	198.50 (15/7)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Feb. 2	Jan. 30	1975-76 High	1975-76 Low
194.55	194.79	205.61 (15/7)	159.03 (2/1)

COMBINED INDEX

Feb. 2	Jan. 30	1975-76 High	1975-76 Low
189.06	189.03	193.90 (15/7)	138.95 (2/1)

JOHANNESBURG

	Feb. 3	Feb. 2	1975-76 High	1975-76 Low
Industrials	215.6	214.17	258.3 (16/7)	183.2 (23/1)
Golds	216.4	208.0	379.1 (3/1)	199.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Jan. 29	Jan. 22	Jan. 15
On Dividends	5.45	5.44	5.55
On Earnings	8.97	8.99	7.21

SYDNEY ALL ORD. INDEX

Feb. 3	Feb. 2	High 1975-6	Low 1975-6
457.21	459.15	472.86 (22/1/76)	289.68 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Feb. 3	Feb. 2	High 1975-6	Low 1975-76
340.50	342.46	342.84 (1/2/76)	268.24 (10/1)

HONG KONG INDEX ◆

Jan. 30	Jan 29	High 1975-6	Low 1975-6
423.50	411.49	423.50 (30/1/76)	160.42 (9/1)

SINGAPORE INDEX §

Feb. 3	Jan. 30	High 1975-6	Low 1975-6
286.16	282.26	286.16 (3/2/76)	153.20 (8/1)

EUROPE

	Feb 3	Previous	1975-6 High	1975-6 Low
Belg'm (a)	112.40	112.33	112.40 (3/2/76)	88.01 (2/1)
Denm'k (b)	102.25	104.74	107.79 (27/1/76)	75.06 (15/1)
France (d)	69.3	69.9	72.0 (26/4)	51.70 (2/1)
Germ'y (e)	782.7	787.5	797.0 (6/1/76)	575.0 (2/1)
Holland (f)	102.8	101.5	107.2 (6/5)	85.2 (2/10)
Italy (g)	69.18	69.41	102.66 (21/2)	75.41 (11/10)
Spain (h)	96.24	95.30	110.96 (22/4)	91.85 (19/9)
Sweden (k)	413.56	414.43	414.45 (2/2/76)	310.30 (9/1)
Switz'rl'd (m)	294.3	294.7	297.7 (15/1/76)	206.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. + Adjusted.

£ & $ steadier

Sterling and the U.S. dollar were steadier in the foreign exchange market yesterday, with the pound recording small gains in terms of most other major currencies. Its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, narrowed to 30.1 per cent. from 30.2 per cent., and stood at 30.1 per cent. at noon and in early dealings. The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened slightly to 2.48 per cent. from 2.41 per cent. The Japanese yen improved to Y302.75 against the dollar from Y303.125, and it was reported from Tokyo that the Japanese authorities gave around $150m. support to the dollar.

On the other hand there were indications of assistance for the French franc by the Banque de France of about $40m., and the French unit closed at Frs.4.4590 in terms of the dollar, compared with Frs.4.4610 previously.

The Italian lira's trade-weighted average depreciation on the Morgan Guaranty basis, widened to 43.06 per cent. from 42.84 per cent., a fall of 12.34 per cent. since the closure of the Italian foreign exchange market. The lira declined to L766 against the dollar from L763.

Sterling also eased in terms of the U.S. unit, closing at $2.0275-2.0285, a fall of 15 points on the day. The pound opened at $2.0270-2.0280, and the best level touched was $2.0290-2.0300.

Gold touched a high point of $132¼-133¼ yesterday, but eased towards the close to finish at $130¾-131¾, a net gain of $¾. The krugerrand was quoted at $134½-136½ (£66¼-67¼) in both the domestic and international markets, and its premium over the gold content widened to 3.24 per cent.

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Feb. 2	Jan. 30
Sterling	0.576269	0.575994
U.S. dollar	1.16850	1.16875
Belgian franc	45.6679	45.8618
Deutsche mark	3.01181	3.03209
French franc	5.21443	5.23235
Italian lira	—	—
Japanese yen	354.932	354.949
Dutch guilder	3.10821	3.11530
Swedish krone	5.11861	5.12380

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Feb. 3	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.5695-5705	57.66-76	6.58-59	5.215-217	96.90-96.98	99.25-35
N. York*	38.95-98	—	22.42-44	2.565-5705	2.0285-0290	37.65-68	38.65-67
Paris	173.115-515	4.454-464	—	11.405-4505	9.032-0565	167.475-875	172.05-45
Brussels	15.17 23	39.16-59	8.75-77	—	79.19-52	14.68-71	15.2-8.11
London	5.21¼-2¼	2.0275 85	9.04-06	79.25-45	—	5.389-394	5.25¼-26½
Am'erdam	103.32 37	2.6571-6602	59.60-65	3.808-8145	5.3925-75	—	102.635-735
Zurich	100.68-79	2.5900-15	58.08-14	6.62-275	5.2515-60	97.35-45	—

U.S. $ in Montreal. U.S. $ = 100.08.10 Canadian cents. Canadian $ in New York $ C = 99.90-92 U.S. cents. U.S. $ in Milan closed. Sterling in Milan closed. *Rate for Feb. 2.

EURO-CURRENCY INTEREST RATES*

Feb. 3 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	10 10⅜	4⅝-5⅛	7¼-8¼	2¼-2⅛	3⅛-3⅜	⅝-⅞
7 days notice	10-10⅜	4⅝-5⅛	8-9	2¼-2½	3⅛ 3⅜	½-⅝
Month	10¼-10⅝	5-5¼	8⅟₁₆-8⅞	3⅟₁₆ 3¼	3⅜-3½	¾-⅞
Three months	10½-10¾	5⅛-5⅜	8⅟₁₆-8¼	3¾-4	3⅝ 3⅞	1¼-1⅜
Six months	10⅝-10⅞	5⅞-6¼	8¾-8⅞	4¼-4½	3⅞-4	2⅛-2⅝
One year	11-11½	6½-7	8⅝-8⅞	4⅞-5⅛	4⅝-4⅞	3¼-3⅝

Euro-French deposit rate: short term 6½-6¾ per cent.; seven days' notice 6¾-7 per cent.; one month 8½-8¾ per cent.; three months 8¼-8½ per cent.; six months 8¼-8½ per cent.; one year 8¼-8¾ per cent.

Longer-term Eurodollar deposit: two years 7½-7¾ per cent.; three years 8-8½ per cent.; four years 8¼-8½ per cent.; five years 8¼-8¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 4 15/16-5 1/16 per cent.; three months 5 5/16-5 3/16 per cent.; six months 5¼-5½ per cent.; one year 6 9/16-6 7/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Feb. 3, 1976	Feb. 2, 1976
Gold Bullion (a fine ounce)		
Close	$130¾-131¾	$130-131
Opening	$130¼-131¼	$128-128¾
Morning fix'g	$131.65 (£64.884)	$128.40 (£63.345)
Afternoon fix'g	$131.70 (£64.918)	$130.40 (£64.262)
Gold Coins (domestically)		
Krugerrand	$134½-136½ (£66¼-67¼)	$133-135 (£65½-66½)
New Sov'r'gns	$43-45 (£21¼-22¼)	$41½-43½ (£20½-21½)
Old Sov'r'gns	$41½-43½ (£20¼-21½)	$41½-43½ (£20½-21½)
Gold Coins (Intern'ally)		
Krugerrand	$134½-136½ (£66¼-67¼)	$133½-135½ (£65¾-66¾)
New Sov'r'gns	$43½-44½ (£21½-22)	$42½-43½ (£21-21½)
Old Sov'r'gns	$40-41 (£19¾-20¼)	$40½-41½ (£20-20½)
$20 Eagles	$215-218	$214-217
$10 Eagles	$106-109	$106-109
$5 Eagles	$70-73	$70-73

FOREIGN EXCHANGES

Feb. 3 1976	Bank Rates %	Market Rates Day's Spread	Close
New York	5½	2.0270-2.0300	2.0275-2.0285
Montreal	9	2.0255-2.0280	2.0240-2.025..
Amsterdam	4	5.38-5.41	5.38¾-5.39..
Brussels	†6	79.00-79.50	79.25-79.45
Copenh'gen	7½	12.44-12.47	12.45-12.4..
Frankfurt	3½	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

OTHER MARKETS

Argentina	[illegible]	[illegible]
Australia	[illegible]	[illegible]
Brazil	[illegible]	[illegible]
Finland	[illegible]	[illegible]
Greece	[illegible]	[illegible]
H'ng Kong	[illegible]	[illegible]
Iran	[illegible]	[illegible]
Kuwait	[illegible]	[illegible]
Luxemb'g	[illegible]	[illegible]
Malaysia	[illegible]	[illegible]
N. Zealand	[illegible]	[illegible]
Saudi Ar.	[illegible]	[illegible]
Singapore	[illegible]	[illegible]
S. Africa	[illegible]	[illegible]
U.S.	[illegible]	[illegible]
Canada	[illegible]	[illegible]

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amst'dam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Cop'nhgn	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockh'lm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—113¾% (114½%).

NEW YORK

Stock	Feb. 2	Jan. 30
Addressograph	11¾	10⅝
Aetna Life & Cas.	23¼	23⅛
Air Products	78½	78¾
Airco	21	21⅛
Corning Glass	54¼	54¼
CPC Int'nation'l	47⅜	46⅞
Crane	68½	66¼
Crocker Nat.	25¼	24½
Johns Manville	26⅝	26⅛
Johnson Johnson	95¾	96⅛
Johnson Control	18⅝	17¾
[illegible]	[illegible]	[illegible]

CANADA

Stock	Feb. 2	Jan. 30
[illegible]	[illegible]	[illegible]

GERMANY ◆

Feb. 3	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	94.7	−0.6	—	—
Allianz Versich.	433	+3	17	2.0
B.M.W.	269.5	+2.5	14	2.6
BASF	164.5		17	—
Bayer	134.5	−0.2	17	6.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Feb. 3	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Feb. 3	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Feb. 3	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	860	−55	—	—
ANIC	30	−10	60	7.2
Assicur. Fin.	4,720	−30	150	2.7
Bastogi	1,260	+5	70	5.6
Breda	2,500	−45	165	6.0
Burgo	10,900	−150	200	1.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS/LUXEMBOURG

Feb. 3	Price Frs.	+ or −	Div. Frs. Net	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND

Feb. 3	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Feb. 3	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Feb. 3	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Feb. 3	Aust. $	+ or −
Acrow Australia	†0.80	
Adelaide Brighton Cement	†1.22	+0.02
Allied Mnfg. Trdg. Indus. $1	†2.00	−0.05
Ampol Exploration	†1.05	
Ampol Petroleum	†0.58	−0.07
Assoc. Minerals	†2.90	−0.10
[illegible]	[illegible]	[illegible]

TOKYO ◆

Feb. 3	Prices Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STOCKHOLM

Feb. 3	Price Kronor	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Feb. 3	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

JOHANNESBURG

MINES

Feb. 3	Rand	+ or −
[illegible]	[illegible]	[illegible]

INDUSTRIALS

[illegible]	[illegible]	[illegible]

SPAIN ▼

February 3	Per cent.	
[illegible]	[illegible]	[illegible]

NOTES: Overseas prices exclude S premium. Belgian dividends are after withholding tax.

هكذا في الأصل

viet-U.S. in deals ecast

NNEAPOLIS, Feb. 3.
IET Union and Eastern expected to purchase m. tonnes of U.S. grain 1976 crops, according mas Gleeson, president ternational Longshore- ociation (ILA).

USSR does not buy it rn bloc countries like d East Germany, will he slack, because the not supply these coun- their grain needs, Mr. old a Press conference y.

ing the Farmers Eleva- ation of Minnesota, he LA did not plan any U.S. grain shipments ext five years because now a five year U.S. ain agreement. Last ociation members re- load ships with grain SSR for a time in pro- regulated sales of U.S. h it considered detri- the interests of domes- ers.

son said, however, that ght rates were under- ose of shippers in Europe by as much as per cent., while the refusing to allow non- flag ships to carry ght.

Government moves to help tenants inherit farms

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

CLOSE RELATIVES of deceased tenant farmers will have the opportunity to succeed to the farm tenancy under a clause being added to the Agriculture (Miscellaneous Provisions) Bill now going through the House of Commons. Announcing this yesterday, Mr. Fred Peart, the Minister of Agriculture, said he wished to bring England and Wales in line with Scotland where the practice already exists.

Those who wished to succeed to a tenancy would have to appeal to an agricultural land tribunal and be qualified not only by relationship but by having sufficient farming knowledge and experience of the holding over a term of years, good health and adequate finances. In this event, the tribunal would be bound to give such applicants priority.

However the county council smallholdings of which the landlords are either the Minister or the county councils will not be covered by these arrangements.

Agricultural tenants in England and Wales have security of tenure during their lifetime but in general these tenancies cease on death, a time when the landlord can give an effective notice to quit within three months. The pressure for this further security has arisen because over the last two or three years an increasing number of landlords have been refusing to let farms to the sons of tenants. They have taken them over to farm themselves, let them to somebody else or sold with vacant possession at a much higher price than can be made on land that is let.

This has meant sons of tenant farmers finding that they have been turned out through their *father's death after half a life*time running the farm at home. They have found it almost impossible to get another farm to rent. Finding a job in farming for which they are qualified is also hard.

Extra security

The demand for action surfaced at the recent National Farmers' Union annual meeting and although the debate was in a way inconclusive there is no doubt that the general feeling was well summed up by Mr. Ernest Richards, chairman of the Parliamentary committee, who said the *union's job was to look after* those actually in farming rather than those who were trying to get in.

This was in answer to the opponents of the measure who claim that extra security would make it impossible for new blood to come in and it would create a class of hereditary tenants.

In fact, landlords are in a fairly strong position. They can raise the rent by arbitration every three years, enforce the terms of their tenancies and under the new legislation, contest the appeal of the prospective successor on many grounds including hardship.

Peter Bullen writes: Although welcoming the fact that the Government has introduced the clause (which means a Labour backbenchers' clause on tenancies has now been withdrawn) with some fairly tight provisions to meet some of the owners' objections, the Country Landowners' Association would still prefer the law on tenancies to remain undisturbed. Any changes on the lines suggested are bound to act as a discouragement to all letting of land.

The NFU welcomed the move adding "we hope and believe that when the details of the Government's scheme are published they will be seen to deal satisfactorily with the matters which have been causing the union concern and will, in effect, overcome the sort of cases of hardship to tenant farmers' families that undoubtedly exist under the present law, without adversely affecting the landlord/tenant system and the availability of farms to let."

Cocoa and coffee prices fall

By Richard Mooney

THE RECENT upsurge in cocoa prices was halted yesterday with the March position declining £14 to £747.75 a tonne.

After opening lower, London terminal market values eased during the morning with trade and commission-house selling being only partially absorbed by trade buying. Reports of significant sales by Brazil were also thought to have encouraged the fall.

Coffee values *also finished* lower. Following up Monday's firm tone in New York the May position climbed to £869 a tonne in the morning but the market turned round after a disappointing opening in New York and May closed at £856.5 a tonne, down £4 on the day.

From Boca Rabon, Florida, meanwhile Reuter reports that Camillo Calazans, President of the Brazilian Coffee Institute (IBC), said the recent freezing of the export tax (contribution quota) on coffee would encourage greater productivity by Brazilian growers.

He said coffee producers would be able to get a larger share of export coffee income now since the export tax will no longer be adjusted when changes are made in the Cruzeiro parity.

Thai rice export hopes

BANGKOK, Feb. 3.

THAILAND IS expected to export 1.5m. tonnes of rice this year, a Government official said.

Commitments already concluded with foreign governments totalled 570,000 tonnes comprising: Indonesia, 100,000 tonnes; China, 150,000; India, 60,000; Mauritius, 60,000; African countries, 150,000; and others 50,000.

A Thai delegation is due to leave for India this week-end for discussion on prices for 60,000 tonnes of parboiled rise, he said. Reuter

JAPANESE SUGAR IMPORTS DECLINE

TOKYO, Feb. 3.

Japan's raw sugar imports last year fell to 2,462,506 tonnes from 2,773,289 in 1974, customs clearance statistics show.

Of the total the Philippines supplied 595,760 tonnes, Cuba 430,613, Brazil 385,220, South Africa 353,998, Thailand 308,365, Australia 229,832, Taiwan 107,392, the U.S. 40,464 and Argentina 10,862.

WEST INDIES

Sea island cotton in fashion again

BY RHYS DAVID

PRODUCTION OF West Indian sea island cotton, which is currently coming back into vogue in textile markets as a luxury natural fibre, will reach a new peak in the present season of around 650,000 lbs — almost double the output two years ago.

The total acreage under plantation has also increased from 2,201 acres in 1974-75 to 2,587 acres in 1975-76 and further increases in acreage and production are expected when the next planting season begins later this year, according to Mr. Arthur Knight, the London-based international marketing executive of the West Indian Sea Island Cotton Association.

Increased production of the fibre, which is used in high-quality cotton garments, follows moves by a number of smaller West Indian islands — Antigua, Barbados, Montserrat, Mustique, Nevis, St. Kitts, and St. Vincent —to re-establish the crop which had virtually disappeared from production.

Modern agricultural methods are being developed including mechanisation of harvesting, cleaning, ginning and baling. As well as stimulating interest among farmers, the Governments in the islands have sponsored planting schemes. As a result, production of the cotton, noted of rits very long staple length and soft texture, has increased from 47,860 lbs in 1971 to the present 650,000 lbs and the acreage under plantation has climbed from 455 acres to nearly 2,600 acres.

PRODUCTION OF SEA ISLAND COTTON

	Acreage	Production (clean lint lbs)
1971	455	47,860
1972	764	127,956
1973	1,231	377,990
1974	1,712	335,193
1975	2,201	625,557
1976	2,587	650,000*

* estimate

The value of the crop to the islands has over the same period risen even more sharply from £13,400 to £421,600 last year. The latest crop should fetch another record price.

Aid towards re-establishing the industry has come from the U.K., traditionally the biggest market for the cotton. The crop which is sown about August and harvested in February is acquired by the West India Committee in London, well before harvesting, for subsequent sale.

The 1975 crop was sold for around 67p per pound with the U.K. taking 371,491 lbs out of the 625,000 lbs total. Whereas in 1971 and 1972 Britain took the entire crop, other countries have now emerged as buyers, with Italy taking 198,361 lbs and Japan 55,705 lbs in 1975.

This year Britain has again bought the biggest amount with Japan also stepping up its purchases. Italy's purchases have fallen because of problems in the Italian textile industry.

Through the West Indian Sea Island Cotton Association, a marketing and promotion programme is now being organised around the world to introduce to new customers the particular qualities of the fibre. The mechanisation of production to replace hand-picking has made it possible to establish regular standards so that top-level manufacturers will be guaranteed a product of consistent quality.

The traditional outlets for the fibre in the U.K. have been in sports shirts, leisure wear, underwear, socks and knitted fabrics, but demand is also developing in other areas, including sheets and pillowcases. In the U.K. spinning of the fibre has been undertaken by Carrington Viyella for its own and outside use.

With the fibre becoming available again, a number of top knitwear companies — including Barrie Knitwear and John Smedley—have put sea island cotton into their ranges.

John Smedley is forecasting that it will sell twice as many sea island cotton knitted garments in 1976 as a year ago.

i to rt jute

Own Correspondent

CALCUTTA, Feb. 3.

ecautionary measure probable raw jute rly in the next season, ns in July, India has mport at least 500,000 n Bangladesh and

lation behind the im- ollows: India has had ort crop during the ion amounting at best es—together with the of 2.5m. bales. This l of 8m. bales. Since has been working to y it will have con- normal quantity of n. bales so the carry- t season will be only 0,000 bales which be enough for even s consumption.

t jute crop is delayed weather deteriorates, d be a serious fibre rly in the new season.

Australia urges Japan to stand by its long-term contracts

BY OUR OWN CORRESPONDENT

CANBERRA, Feb. 3.

MR. DOUGLAS ANTHONY, Australia's Minister for National Resources and Overseas Trade, begins a seven-day visit to Japan to-morrow aimed primarily at protecting Australian long-term commodity supply contracts, especially for sugar, iron ore and coal.

Mr. Anthony said before leaving to-day: "My main task will be to find ways to help them stick to their agreements with us. We want them to keep their *contracts and if there have to be* cutbacks, they should be against other countries, not Australia."

A sugar refiners' delegation from Japan visited Australia last month seeking major revision of the existing long-term supply contract—so far without success. Similar intentions have been openly signalled by the Japanese steel industry, increasingly worried by its huge raw materials stockpiles due to reduced production. Most iron ore contracts do, however, have provision for relatively limited variation in contracted delivery rates to cover special circumstances.

Mr. Anthony announced that the new Government was re-evaluating Australian membership of the international producer *organisers* for bauxite, iron ore and copper. "Japan wants to know our attitude if we stay in," he said. "I don't want them to think it will be threatening, using resources blackmail to force prices up."

On the other hand he saw value in continued membership both for intelligence purposes and insurance against any "consumer gang-up."

Mr. Anthony will also be pressing for greater access to the Japanese market for Australian meat, dairy products and fruit. But he will be able to offer nothing new on the Australian import restrictions affecting, in particular, Japanese cars and textiles.

Mr. Anthony said he saw any contract renegotiated desired by the Japanese as mainly a commercial matter between the parties but was "ready to help."

Mr. Anthony, who is also Deputy Prime Minister, said he wanted to get a clearer idea of Japan's future capacity to buy natural gas, coal, iron-ore and uranium from Australia.

Egg buying trend worry for producers

BY PETER BULLEN

A DISTURBING long term trend for egg producers has been spotted in recent consumer surveys conducted on behalf of the Eggs Authority.

Young women in the 17 to 24 age group show a marked lack of interest in buying and cooking eggs, which could mean that the next 10 to 20 years—if this attitude remains unchanged—egg sales could drop significantly as by far the biggest quantity of eggs is bought by the 35-44 year old group of housewives with young families to feed.

Mr. Bernard Mallett, the Eggs Authority chief executive, commenting on the latest survey results yesterday said they could not ell if the young women's attitude was a permanent one. However, it could mean that the Authority will have to look carefully at its advertising and promotional material to see if any changes will be needed.

In general the survey showed that the industry's advertising and promotional efforts seem to be well based. Although egg consumption has been dropping in recent years—from 273 eggs per person a year in 1972 to 256 in 1974—there were signs that the decline was levelling off in the U.K. unlike other European countries, said Mr. Mallett.

Just over 2,000 housewives aged from 16 to 64 were interviewed in the survey and most of them bought eggs only once a week, usually on a Friday or Saturday. Self-service shops and supermarkets were the most popular source of egg purchases particularly among the younger housewives who found these shops more convenient.

The number of housewives buying eggs direct from farms has dropped from 18 per cent. when the last survey was taken in 1972, to only 11 per cent. last year—the fall being attributed to the rise in the cost of petrol.

What may shock many British egg producers was that 28 per cent. of the housewives said they had no preference between British and foreign eggs—doubling the 1972 figure.

Only 34 per cent. of housewives claimed they could tell foreign eggs from those produced in this country

MMODITY MARKET REPORTS AND PRICES

METALS

arginally lower on balance Metal Exchange. Prices narrow limits all day with trading between £593 and majority of business trans- 04. Trade selling was met and U.K. enquiry, the prices being maintained firmness of Comex. Turn- es.

o. ial	+ or —	p.m. Unofficial	+ or —
£		£	£
5	+1	585-.5	-1
4	+1	603.5-4	-1
	+1	—	......
5	+2.5	574.5-5	-.25
5.3	+2.25	592.5-3	-.75
.5	+2.5	—	......
	......	*63-65.7	......

Metal Group reported ing, cash wirebars traded at £585.5, 85, three months £604, 4.5, 4, 3.5, 3, 3.5, 4, 3.5. Cathodes: cash £574, three months £592.5. Kerbs: Wirebars: cash £587, three months £604, 4.5, 5. Cathodes: three months £593. Afternoon: Wirebars: cash £586, 85, 85.5, three months £604, 3.5. Cathodes: three months £592.5, 93. Kerb: Wirebars: three months £604, 4.5, 5.

TIN—*Turned easier.* The rise in Penang overnight being less than had been anticipated in some quarters, prices reacted to the recent upward movement. Profit-taking, hedge selling and stale bull liquidation combined to push forward metal down to £3,200 at one time before fresh physical demand caused a recovery to £3,212 by the close of the afternoon Kerb. Turnover 1,295 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3163-8	+10.5	3148-7	-32
3 months	3227-32	+25.5	3210-5	-38
S'ment	3168	+8	—	—
Standard				
Cash	3158-60	+18	3140-2	-28
3 months	3220-2	+25	3207-10	-18
S'ment	3160	+18		......
Straits E.	†$990⅛	+8⅛	—	
New York	—	......	—	......

Morning: Standard: cash £3,160, 65, 63, three months £3,230, 25, 15, 18, 20, 24, 20. Kerbs: Standard: three months £3,222. Afternoon: Standard: cash £3,145, 40, 38, three months £3,210, 05, 07. High Grade untraded. Kerbs: Standard: three months £3,207, 10, 12.

LEAD—Hedge selling was initially met by trade buying but when the latter dried up prices drifted. Turnover 1,275 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	164.25-.75	-.625	163.5-.4	-1.12
3 months	170.5-.75	-1	170-.5	-.875
S'ment	164.75	-.5	—	......
N.Y. Spot	—	......	19-22¾	......

Morning: cash £164.5, three months £171, 70.75, 70.5. Kerb: three months £170.75. Afternoon: three months £170.5, 70.25. Kerb: three months £170.

ZINC—Lost further ground owing to aggressive hedge selling which found buyers reluctant while there seemed to be little support buying of cash metal. Forward metal ended at £347 on the afternoon Kerb. Turnover 3,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	338-.9	-2.62	337.25-.5	-2.87
3 months	347-8	-2.62	347.25-.75	-2.25
S'ment	339	-2.25	—	......
Prim. West	—	......	*37.9	......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: three months £350, 49. Kerb: three months £347. Afternoon: cash £337.5, 37.25, three months £345, 47.75, 47.50. Kerb: three months £347.5.

SILVER

Silver was fixed 1.8p an ounce higher for spot delivery in the London bullion market yesterday, at 198.8p U.S. cent equivalents of the fixing levels were: spot 403.3c, up 3.9c; three-month 408c, up 3.9c; six-month 414.4c, up 3.9c; one-year 430.1c, up 3.7c. The metal opened at 197.7-198.7p (401-403c), and touched a high of 199-200p (403½-405½), before falling to 194-195p (393½-395½c), and closing at 194.7-195.7p (395-397c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	198.8p	+1.8	195.35p	-4.2
3 months	203.6p	+1.8	200.05p	-4.25
6 months	208.9p	+1.8	—	......
9 months	—	......	206.5p	-4.5
12 months	220.8p	+1.8	—	......

LME—Turnover 254 (240) lots of 10,000 ozs. Morning: Cash 199.5; three months 204, 4.3, 4.1, 4, 4.2, 4.1, 4.2. Kerbs: Three months 204, 4.3. Afternoon: Three months 200.5, 200.3, 200, 199.8, 200, 199.8, 200.2, 200.1, 200.2, 200.3, 200.2, 200.1, 200. Kerbs: Three months 200.3, 200.

COCOA

Profit-taking and speculative selling caused prices to ease in moderately active conditions, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No4 Contract			
March	765.0-66.0	-19.5	768.0-79.0
May	747.5-48.0	-14.0	746.0-60.0
July	735.0-36.5	-16.0	734.0-49.0
September	717.5-18.0	-14.0	716.0-30.0
December	694.5-95.0	-10.0	692.0-705.0
March	684.0-86.0	-11.0	685.0-95.0
May	678.0-78.5	-11.5	678.5-87.0

Sales: 2,492 (3,345) lots of 10 tonnes. International Cocoa Agreement prices: Daily 66.44 (67.30) U.S. cents per pound; Indicator 15-day average 63.66 (63.36); 22-day average 63.88 (62.73).

FREIGHTS

DRY CARGO—Chartering was limited in all sections of the freight market. In the North American grain sector no new fixtures were reported. A wheat cargo was covered from New South Wales to Kuwait in Feb. at $17.50 free discharge while ore operators secured a vessel for 70,000 long tons from Paradip to the Continent at $7 f.i.o. with Feb. loading. Business in the timecharter sector mainly comprised vessels for delivery in Japan with a 32,000-tonner booked for a voyage to the U.K./Continent at $4.60 per long ton and a vessel of 15,000 long d.w.t. arranged for a voyage to the Red Sea-Persian Gulf at $3,250 daily.

COFFEE

Robustas closed barely steady, lower on balance in response to New York's trend. Arabicas were dull and also down on balance.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	844-846	-2.0	848-854
May	856-857	-4.0	856-869
July	866-867	-4.0	865-877
September	872-873	-6.0	870-884
November	878-879	-5.0	879-890
January	884-886	-2.0	884-893
March	887-896	-2.5	896-898

Sales: 1,402 (615) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 103.50 (103.00). Other Mild Arabicas 96.50 (95.00). Unwashed Arabicas Santos Fours 115.00 (114.00). Robustas 80.75 (80.25). Daily average 98.58 (97.76).

ARABICA CONTRACT—(in order buyer, seller, busines, sales): Feb. 104.00-105.00, nil, nil; April 106.00-108.50, nil, nil; June 107.50-108.90, 109.00-108.50, nil; Aug. 107.50-108.00, nil, nil; Oct. 108.10-108.90, 109.00, 2; Dec. 108.00-109.00, 109.50, 2; Feb. 108.60-109.00, nil, nil. Total sales, 14.

RUBBER

UNCHANGED opening on the London physical market. Very quiet throughout the day, closing dull. Lewis and Peat reported a Malaysian godown price of 170 cents a kilo (nominal buyer, February).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
March	39.75-40.25	39.70-39.85	39.90
April	40.15-40.80	40.10-40.50	—
Apr-Jne	40.45-40.80	40.40-40.80	—
Jly-Sept	41.30-41.95	41.70-41.80	41.80
Oct-Dec	43.40-43.45	43.30-43.35	43.20-43.40
Jan-Mr.	44.50-44.55	44.40-44.45	44.40-44.50
Apr-Jne	45.50-45.65	45.40-45.60	—
Jly-Sept	45.95-46.50	45.80-46.50	—
Oct-Dec	46.50-47.10	46.25-47.00	—

Sales: 46 (87) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 39.5p (39.6); March 38.75p (same); April 37.5p (same).

SOYABEAN MEAL

The market eased after initial strength as hedge sales wiped out commission house short-covering. U.S. cattle inventory shows a 3 per cent. decline suggesting less feed usage.

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
February	86.00-87.80	+0.50	—
April	85.00-85.20	-0.05	85.8-85.2
June	86.20-86.30	-0.05	87.3-86.2
August	87.10-87.50	-0.20	87.8-87.2
October	88.10-88.40	-0.15	88.3
December	89.20-89.80	+0.05	—
February	90.90-91.10	+0.10	—

Sales: 48 (33) lots of 100 tonnes.

GRAINS

THE BALTIC—Underlying consumer interest was reported for transhipment maize, but the volume of business remained light in a virtually unchanged market.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., March £98.30, April-May £98.70 direct Tilbury. Feb. £96.75 April-May £96.60, May £96.75, June £96.75, July £96.60 transhipment East Coast. Argentine milling Feb. £81.80, March £82.40 East Coast. EEC milling unquoted. Feed Feb. £64.40, March £65.00 East Coast.

Maize—No. 3 Yellow American/French Feb. £66.25, March £67.15 transhipment East Coast. South African White March £66.50 Glasgow.

Barley—EEC feed £64.75, March £65.50 East Coast.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady: Close: March 64.80, May 66.60, Sept. 65.65, Nov. 67.65, Jan. 69.45. Business: March 64.80-64.60, May 66.25-66.60, Sept. 65.85-65.70, Nov. 67.75-67.70, Jan. 69.50-69.45. Barley, steady. Close: March 63.50, May 65.35, Sept. 64.90, Nov. 66.80, Jan. 68.35. Business: March 63.70-63.30, May 65.40-65.25, Sept. 64.95-64.85, Nov. 66.95-66.85, Jan. 68.70-68.60.

All prices quoted in sterling per tonne or per long ton.

HGCA—Location ex-farm spot prices. Soft milling wheat—Gloucester £64.15. Feed barley—Gloucester £62.30, Humberside £62.50.

The U.K. monetary coefficients for the week beginning Feb. 9 will remain unchanged.

EEC DAILY IMPORT LEVIES—The following EEC levies and premiums are effective for Feb. 4. In units of account per tonne. In order current levy plus March, April and May premiums (with previous in brackets). Common Wheat—36.09, nil, nil, nil (36.09, nil, nil, nil). Durum Wheat—56.89, nil, nil, 7.27 (56.89, nil, nil, 5.66). Rye—50.61, 1.61, 1.61, 5.65 (53.02, nil, nil, 3.23). Barley—27.56, 3.19, 3.19, 4.44 (247.56, 4.84, 4.84, 4.60). Oats—15.70, nil, nil, 5.34 (15.70, nil, nil, 5.24). Maize (other than hybrid for seeding)—35.33, nil, nil, nil (36.54, nil, nil, nil). Buckwheat—2.31, nil, nil, nil (2.31, nil, nil, nil). Millet—15.78, nil, nil, nil (15.78, 1.21, 1.21, 1.21). Grain sorghum—36.75, nil, nil, nil (36.78, nil, nil, nil).

EEC levies are also effective for Feb. 4 for the following flours (with previous in brackets) in units of account per tonne. Wheat or Mixed Wheat and Rye Flour—62.11 (62.11). Rye flour—82.44 (85.93).

SUGAR

LONDON DAILY PRICE (raw sugar) £157 (same) a ton c.i.f. for Feb.-March shipment. White sugar daily price was fixed at £178 (same).

The steady tone on Monday encouraged some initial buying, but later persistent selling met only limited resistance and prices fell, *reports C. Czarnikow.* The market came under further pressure in the afternoon but good buying interest developed at the lower levels, which prevented a further decline. Prices held steady in a narrow range thereafter although towards the close further selling pushed prices back to the day's lowest levels.

Sugar Pref Comm Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
March	158.80-57.00	156.75-6.90	156.25-58.90
May	158.75-56.85	157.15-7.50	156.25-58.25
Aug	157.45-57.50	158.05-8.20	156.81-59.20
Oct	158.25-58.55	158.55-8.75	157.90-58.50
Dec	169.00-59.25	159.25-9.35	159.00-60.25
March	158.75-59.25	158.65-9.25	158.50-60.25
May	158.50-59.25	158.10-8.75	159.20-59.55

Sales: 2,262 (2,996) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £214.20 (same) a long ton for home trade and £242 (same) a long ton for export.

WOOL FUTURES

LONDON—The market was firmer in most positions except the near months, Bache reports.

(Pence per kilo)

Australian Greasy Wool	Yesterd'ys close	+ or —	Business Done
March	179.0-86.0	-0.5	—
May	188.0-94.0	-0.5	—
July	199.0-201.0	+0.5	—
October	205.0-06.0	+4.0	205.0-03.0
December	210.0-14.0	+3.75	—
March	215.0-18.0	+2.0	218.0
May	217.0-23.0	+1.0	—

Sales: 8 (15) lots of 1,500 kilos.

SYDNEY GREASY (In order buyer, seller, business, sales)—March 257.4-257.5; 259.1-257.4; 47. May 269.4-269.8; 270.0-269.2; 44. July 280.5-281.0; 280.6-279.0; 116. Oct. 289.5-289.5; 290.0-289.0; 124. Dec. 293.8-294.0; 294.0-23.0; 39. March 298.5-299.0; 299.0-298.0; 7. May 301.1-301.5; 301.5-299.0; 59. Sales: 436.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Feb.-March shipment: BWC £192, BWD £183. Tossa: BTB £201, BTC £193, BTD £184. Calcutta goods firm. Quotations c. and f. U.K. for Feb. shipment: 10-ounce 40-inch £7.28, 7½-ounce £5.54 per 100 yards; March £7.43 and £5.65; April-June £7.64 and £5.81. "B" twills £22.32, £22.61 and £23.03 for the respective shipment periods. Yarns and cloths very firm.

LONDON—Quiet. Bangladesh White "C" grade Feb.-March £195.00. Bangladesh White "D" grade Feb.-March £187.50. A long ton.

CALCUTTA—Steady. Indian spot Rs.490.00. Dundee Daisee spot Rs.465.00 values. A bale of 400 lbs.

COTTON

COTTON—Liverpool. Spot and shipment sales amounted to 169 tonnes bringing the total for the week to 271 tonnes, reports F. W. Tattersall. Diminishing demand brought occasional purchases mostly in American-type varieties. The call for African and South American growths was patchy.

MEAT/VEGETABLES

SMITHFIELD (prices in pence per pound)—**Beef:** Scottish killed sides 38.0 to 40.0; English hindquarters 45.0 to 47.0; Ulster hindquarters 45.0 to 47.5; forequarters 30.0 to 33.0; Eire hindquarters 44.0 to 47.0, forequarters 31.0 to 32.0.

Veal: Dutch hinds and ends 68.0 to 72.0, hinds and ends (high quality) 74.0.

Lamb: English small 34.0 to 42.0, small (high quality) 43.0, medium 34.0 to 40.0, heavy 27.0 to 34.0; Scottish medium 30.0 to 39.0, heavy 27.0 to 34.0, hill 28.0 to 40.0. Imported frozen: NZ Ds (old season) 31.5 to 33.0, 8's (old season) 29.0, PL (new season) 33.0 to 33.0, PM (new season) 31.0 to 32.0, PH (new season) 30.0 to 31.5.

Pork: English, under 100 lbs 31.0 to 38.0, 100-120 lbs 31.0 to 37.0, 120-160 lbs 30.0 to 35.0, 160-180 lbs 29.0 to 33.0, 180 lbs and over 28.0 to 31.0.

MEAT COMMISSION—Average fatstock prices at representative markets on February 3. U.K.—Cattle £25.94 per live cwt. (+0.1); Sheep 41.7p per pound e.d.c.w. (−0.6); Pigs £4.92 per sc.l.w. (+0.13). England and Wales—Cattle numbers up 12.8 per cent., average price £23.98 (+0.01); Sheep up, 24.4, 41.9p (−0.7); Pigs down, 5.3, £4.91 (+0.15). Scotland—Cattle up, 2.3, £33.98 (−0.13); Sheep down, 10.6, 40.1p (−0.1); Pig down, 12.1, £5.12 (+0.02).

COVENT GARDEN—(Prices in sterling) —Imported produce: Oranges—Spanish: 1.80-2.20; Jaffa: Shamouti/Navels 3.10-3.50; Egyptian: 1.90; Cypriot: 3.00-3.50; Moroccan: 2.00-2.20. Sevilles/Bitters—Per approx. 44 lbs 1.30. Grapefruit—Cypriot: 2.30-2.80; Jaffa: 2.20-2.80. Lemons—Italian: 2.50-3.00; Cyprit: 3.00-3.56. Satsumas—Spanish: Per tray 2.00-2.40. Apples—French: Per 20 lbs Golden Delicious 72/84 1.60-1.90, Starking 1.80-1.90, Granny Smith 72/84 2.50-3.00 Stark Crimson 2.00-2.20: Italian: Per pound Belforts 0.07. Rome Beauty 0.08: Hungarian: Per 44 lbs 4.10. Apricots—South African: Per pound 0.30-0.32. Plums—South African: Per pound Santa Rosa 0.17-0.20. Red Ace 0.18-0.22, Gaviota 0.20-0.24. Peaches—South African: 15/21 1.30-2.00. Pears—Italian: Per pound Passacrassana 0.08, Beurre Bosc 0.10. Grapes—Californian: Per 23 lbs Red Emperor 4.60-5.00. South African: Per 10 lbs Alphonse 5.20, Queen of the Vineyard 2.50-2.60. Dates—Iraqi: Per packet 0.07½. Strawberries—Mexican: Per 8 ozs 0.50. Tomatoes—Spanish: 1.30-1.50: Canary: 1.60-2.40. Onions—Spanish 4/5 7.00: Dutch: 3.80-4.40; Polish: 5.00: Italian: 6.00. French Beans—Kenya: Per pound 0.30. Courgettes—Kenya: Per 6 lbs 1.80. Capsicums—American: Per 11 lbs 3.60: Canary: 13 lbs 4.00-4.20. Asparagus —Californian: Per pound 1.30-1.60. Cucumbers—Canary: 1.40-2.00. Potatoes—Cypriot: Per 55 lbs 5.10; Canary: 6.50-6.20. Celery—Spanish: Prepacked 18/30 2.60-2.70; Israeli: 3.00. Walnuts—Californian: Per pound 0.26-0.27. Cauliflowers—Jersey: Per 24 4.70-4.80; French: 4.60. Chicory—Belgian: Per 5 lbs. 0.30- per pound.

English produce: Lettuce—Per 12, round 1.20-1.60. Mushrooms—Per pound 0.30-0.35. Potatoes—Per 56 lbs Whites 4.50-4.60, Edwards 4.60-4.70. Celery—Per 12 1.00. Apples—Per pound Cox's Orange Pippin 0.09-0.12, Bramley's 0.06-0.11, Laxtons 0.07-0.08. Pears—Per pound Conference 0.07-0.13. Sprouts—Per pound 0.09-0.11. Swedes—Per 28 lbs Devon 0.70. Carrots—Per 28 lbs 1.30-1.50. Onions—Per 56 lbs 3.70-4.60. Cabbages—Per bag Primo 1.50. Rhubarb—Per 14 lbs 0.13. Parsnips—Per 28 lbs 1.80-2.00

★

COPRA—Philippines (per tonne)—Feb. $200, March $202, April $207.50 resellers c.i.f. North Euro ports.

★

GRIMSBY FISH—Supply fair and demand moderate. Prices per stone at ship's side (unprocessed): Shelf cod £1.80-£2.40, codling £1.80-£2.00, large haddock £3.20, medium haddock £2.80, small haddock £2.40, skinned dogfish (medium) £4.50, rock fish £1.60-£2.10, reds £1.40, saithe £1.00-£1.20.

HIDES—Manchester. Generally much firmer with a complete clearance of offerings. Second clear ox 31-35½ kilos 35.3p per kilo; 26-30.5 kilos 42.5p; 22-25.5 kilos 44p. Light cows 42.6p. No calves offered.

ALBRIGHT AND WILSON MOVE

Albright and Wilson's agricultural sector headquarters has been moved to Glaston, Leicestershire.

The move brings together the sector's administrative centre—including the fertilisers, seeds, contract services and pesticides activities—within the company's principal marketing area.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Feb. 3 1976	+ or —	Month ago
Metals			
Aluminium(x)	£420	......	£420
Free Maket (cif)	£340-350	......	£335-345
Copper			
Cash Wire Bars (x)	£585.25	-1.0	£593.5
3 months do. do.(x)	£603.75	-1.0	£613.25
Cash Cathode (x)	£575.25	-0.25	£581.25
3 months do. (x)	£592.75	-0.75	£601.25
Gold.........Troy oz.	$131.25	+0.75	$139.25
Lead Cash (x)	£165.75	-1.125	£158.25
3 months (x)	£170.25	-.875	£176.37
Nickel (x)	£2,455	......	£2,422.5
Free Market(cif)(lb)	$1.9-2.05	......	$1.9-2.05
Platinum (b) troy oz.	£78½-81½	......	£76½-81½
Free Market	£68.3	-0.2	£72.1
Quicksilver (76lb) (x)	$90-95	......	$77-80
Silver Troy oz	198.8p	+1.8	208.9p
3 months	203.6p	+1.8	214.8p
Tin Cash (x) §	£3,141	-26.0	£3,085.5
3 months (x)	£3,208.5	-19.0	£3,148.5
Wolfram 22.04lb. cif	£44.5-46.5	......	£42-44
Zinc Cash (x) §	£337.375	-2.875	£345.37
3 months (x)	£347.5	-2.25	£357.125
Producers	$795	......	$795
Oils			
Coconut Malayan	‡	......	‡
Groundnut			
6%	£402	......	£372
Linseed Crude (x)	£382	......	‡
Palm Malayan (x)	£175	......	‡
Soyabean (x)	‡	......	‡
Seeds			
Copra Philipp ton	$200	......	$205
Gr'nuts Nigerian	‡	......	‡
Linseed Can No. 1	£154	......	£151.25
Grains			
Barley EEC	£64.75	......	£65
Home Futures	£63.5	-0.1	63.35
Maize			
French No. 3 Am.	£66.25	......	£65.5
S.A. Yellow	‡	......	£67.25
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	‡
Australian (f.a.q.)	‡	......	†
English Milling	£66.5	......	£66.5
Cocoa Shipment (x)	£781	-15.0	£706
futures May	£747.75	-14.0	£722.5
Coffee Shipment (c)	‡	......	‡
futures May (x)	£856.5	-4.0	£792.5
Cotton 'A' Index cent	66.6	......	63.75*
Jute LJABWC (d)	£195	......	£195
Rubber ......kilo	39.5p	-0.1	37.5p
Sisal EA3L (x)	$600*	......	$600*
Sugar (Raw)	£157	......	£165
Wooltops 64s....kilo	218p	......	210p
Cloves (Madagascar)	£2,650	......	£2,400
Pepper White...ton	£945	-15.0	£935
Black...ton	£760	-10.0	£730

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Jan.-March. x Metric tons. r Sept.

FINANCIAL TIMES

Feb. 2	Jan. 30	Month ago	Year ago
179.31	177.86	175.26	177.95

(Base: July 1, 1952=100)

REUTER'S

Feb. 3	Feb. 2	Month ago	Year ago
1210.4	1207.3	1184.0	1093.3

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Feb. 2	Jan. 30	Month Ago	Year ago
Spot	303.88	301.24	301.29	340.53
Futures	297.63	294.55	291.86	318.03

(Average 1924-25-26=100)

MOODY'S

Moody's	Feb. 2	Jan. 30	Month ago	Year ago
Sple Comm'ty	766.7	767.5	759.6	752.8

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, Feb. 2.

Cocoa—Ghana Spot 79 (77¾). Bahia Spot 75½ (74). March 71.60 (70.25), May 67.54 (66.25), July 65.10, Sept. 63.45, Dec. 60.65, March 59.10, May 58.35. Sales: 803.

Coffee—"C" Contract: March 96.80-96.70 (95.90), May 97.05-96.80 (95.30), July 96.95, Sept. 97.00, Dec. 96.50. Sales: 449.

Copper—Feb. 54.70 (54.50), March 55.10 (54.90 settlements), April 55.50, May 55.90, July 56.80 settlements. Sales: 1,448.

ΦGold—Feb. 130.50 (128.20), March 130.80 (128.50), April 131.30, June 132.60, Aug. 134.00, Oct. 135.30, Dec. 136.60, Feb. 137.90, April 139.20, June 140.70. Sales: 1,509.

††Maize—March 267½-268½ (265), May 274 (270½), July 277½-277¼, Sept. 275-274¾, Dec. 269-268¼, March 275-274¾.

†Lard—Chicago loose 17½ (same). NY prime steam 19 asked (same).

‡Platinum—April 140.00 (same), July 142.00 (same), Oct. 145.00, Jan. 147.10, April 149.70, July 153.20-1753.60. Sales: 224.

‡‡Silver—Spot 403.50 (396.50); Feb. 399.10 (395.00), March 400.80 (397.00), April 409.20, May 405.60, July 416.80, Sept. 416.40, Dec. 424.90, Jan. 427.80, March 433.50, May 439.50. Sales: 4,790.

*Soyabeans—March 477-476½ (467½), *May 485-484 (476), July 493-492½, Aug.* 496, Sept. 499, Nov. 505-505½, Jan. 512, March 519, May 524½.

bSoyabean Meal—March 135.00 (132.60), May 139.00-139.20 (136.40), July 140.70-140.80, Aug. 141.40-142.00, Sept. 141.40-141.50 bid, Oct. 142.00, Dec. 145.00-146.00.

Trading in the New York cotton and greasewool markets was called off on Monday because of a snowstorm. A spokesman of the New York cotton exchange said there were not enough floor personnel.

Soyabean Oil—March 16.00-15.95 (15.48), May 16.15 (15.73), July 16.35-16.40, Aug. 16.40, Sept. 16.50, Oct. 16.50, Dec. 16.60-16.70, Jan. 16.70-16.80.

Sugar—Spot 13.30 (same). March 13.32-13.38 (13.35), May 13.38 (13.37), July 13.40, Sept. 13.40 nom., Oct. 13.35-13.38, Jan. 13.40 nom., March 13.41-13.40, May 13.39 nom. Sales: 2,277.

Tin—296.50-318.00 asked (294.50-316.00 nom.).

**Wheat—March 357½-357 (349½), May 363-363½ (355½), July 368½-367, Sept. 373, Dec. 381½, March 387.

WINNIPEG, Feb. 2—††Rye—May 257 (246½ bid), July 251½ bid (241½ bid), Oct. 239 bid.

cOats—May 163 (165½), July 160½ asked (150½ asked), Oct. 157 nom.

§Barley—May 230½ (230), July 229 asked (226½ asked), Oct. 223½ nom.

dFlaxseed—May 677½ (668), July 676½ bid (668), Oct. 667½ bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 477 (472½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. Φ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. ‡ $'s per troy ounce for 50-ounce units of 99.8 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel, § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

Merseyside docks protest

A DELEGATION of eight members of Merseyside Chamber of Commerce and Industry will meet Merseyside Labour MPs in London to-day over the Government's Dock Work Regulation Bill.

The delegation met the Conservative MPs yesterday. Its members complain that the Bill would increase costs, negate benefits of containerisation, diminish efficiency and cause shippers to use Continental ports.

SONAL

R RESEARCH
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PANY NOTICES

UROPEAN INVESTMENT ANY LIMITED
the Republic of South Africa)

S ON THE 6 PER CENT PREFERENCE SHARES dividend notice advertised the 6th December, 1975 e applicable to payments m currency in respect of ned dividend is £1 = alent to 1.69622p per

rate of South African areholders' Tax is 15

on behalf of ICAN CORPORATION H AFRICA, LIMITED
London Secretaries
D. H. J. Pattison

ted Kingdom Transfer ted Limited.

N INVESTMENT TRUST IMITED
the Republic of South Africa)

ON THE 6 PER CENT REFERENCE SHARES ividend notice advertised e 6th December, 1975 applicable to payments currency in respect of ed dividend is £1 = lent to 3.392445p per

ate of South African holders' Tax is 14.8515

on behalf of CAN CORPORATION AFRICA, LIMITED
London Secretaries
D. H. J. Pattison

d Kingdom Transfer d Limited.

BELL, INC.

7¼% Debentures 1987 ort and accounts of he financial year ended 975 will be available the offices of Straus, orgate Place, London the usual business lay (Saturday excepted) 1976.

THE SOUTH STAFFORDSHIRE WATERWORKS COMPANY

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Principal Office of the Company, 59 Sheepcote Street, Birmingham B16 8AR, on Thursday, the Twenty-Sixth day of February, 1976 at 12.30 o'clock in the afternoon for the following purposes:—

(1) To receive the Accounts for the year ended 31st December, 1975 and the Reports of the Directors and the Auditors thereon.
(2) To declare final dividends on the Ordinary Stocks.
(3) To re-elect as Directors:—
    a) Sir Charles Burman, J.P., D.L.
    b) Mr. Sidney Vernon Lancaster, T.D., J.P., D.L., F.C.A.
(4) To transact the ordinary business of the Company.

The Transfer Books of the Company will be closed from Friday, 13th February, 1976 to Thursday, 26th February, 1976 both days inclusive against Transfers of Ordinary Stock but not against Transfers of Debenture and Preference Stocks.

BY ORDER OF THE BOARD,
A. W. TIBBENHAM,
Secretary.

Birmingham,
3rd February, 1976.

CLUBS

EVE, 189 Regent St. 734 0557. A la carte or All-in Menu. 3 spectacular floor shows 10.45, 12.45, 1.45 and music of Johnny Hawkesworth and Friends.

GARGOYLE, 69 Dean St., London, W.1. STRIPTEASE FLOORSHOW SEX UNLIMITED Show at midnight and 1 a.m. Hostesses. Monday-Friday. Closed, Sats. 437 6455.

Success is assured at THE GASLIGHT, 4 Duke of York St., St. James, S.W.1. for quality entertainment, superb cabaret, hosts of friendly, danceable ladies. Topless Bar. No membership for out of town or overseas visitors. Tel.: Day 01-734 1071, after 8 p.m. 01-930 1648.

CORPORATION LOANS

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BOROUGH COUNCIL BONDS
12% MINIMUM £1,000 PERIOD 3-5 YEARS
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STOCK EXCHANGE REPORT

Reaction in Gilts, while equities continue quietly dull

Share index eases 2.8 to 409.5—Golds improve afresh

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 12	Jan. 22	Jan. 23	Feb. 3
Jan. 26	Feb. 5	Feb. 6	Feb. 17
Feb. 9	Feb. 19	Feb. 20	Mar. 2

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Apart from a fresh improvement in Gold Mining shares, stock markets had a rather drab look about them yesterday. Gilt-edged securities sustained a fairly sharp setback after the recent strong advance, while equities gave a little further ground. The Prime Minister's encouraging review of economic policy and hopes of a further reduction in *Minimum Lending Rate next* Friday prompted by distinctly easier conditions in money markets failed to help Gilts. Although not particularly heavy, profit-taking resulted in *falls* ranging to a point in long-dated and medium issues. The shorts held up reasonably well until the late dealings when the trend *became noticeably dull and quotations* closed up to ¼ lower. The Government Securities index lost 0.67 to 64.49, for a two-day fall of 0.72 and has thus given up about *a third of last week's advance of* 2.11.

As with British Funds, equities ignored the day's favourable pointers. Leading industrials *eased a little further and the FT* 30-share index gave up 2.8 more to 409.5, for a two-day fall of 7.9. Selling was again very light, the day's reaction owing more to the *absence of support.*

Secondary issues also passed a rather quiet session. Overall, the trend was mixed but falls led rises by 7—4 in FT-quoted Industrials, while the FT-Actuaries All-Share index eased 0.5 per cent. to 171.14. Official markings of 8,216 compared with 8,901 on Monday and 8,165 a week ago.

Gold mining shares made further headway in sympahty with a fresh rise of $0.75 to $131.25 per ounce in the bullion price. Closing levels were below *the best,* but still quite substantial and the Gold Mines Index rose 8 points more to 232.1, making a gain of 16.8 over the last two trading days.

Helped by Press comment on the current constitutional talks, Southern Rhodesia 2½ per cent. 1965/70 improved 1 to 42.

Small offerings of investment dollars released by overseas buying of Gold shares caused a downward drift in the premium, which closed ¾ down at 113¾ per cent. Yesterday's SE conversion factor was 0.5975 (0.5976).

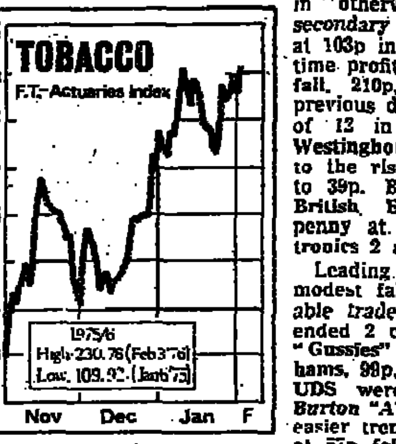
Wagon Finance please

The volume of business in the *big four Banks contracted quite* sharply and prices closed without much alteration. A firm market of late on Far-Eastern advices and a good set of figures from a subsidiary, **Hongkong and Shanghai** hardened 3 more to a 1975-76 high of 366p. Apart from **Union**, which hardened 5 to 370p, Discounts tended to cheapen: **Alexanders** were that much off at 230p as were **Allen Harvey and Ross**, at 465p. The much better-than-expected preliminary profits and a doubled dividend payment *brought about a swift upward* movement in **Wagon Finance** which continued "after-hours" to leave a gain of 10 at a 1975-76 high of 54p. Merchant Banks *were generally a shade easier on* small offerings. **Guinness Peat** gave up 5 to 191p and **Edward Bates** receded 3 to 40p, while **Goode Durrant and Murray** shed *a penny at 28p; the last-named's* results are due to-morrow.

Quiet conditions prevailed in Insurances, and prices continued their downward drift. **Sun** *Alliance shed 5 more to 460p, and* **General Accident** cheapened 3 to 184p.

Breweries continued to drift quietly lower. **Arthur Guinness** *shed a penny more to 138p, after* 137p, while **Scottish and Newcastle** cheapened 2 to 62p. Elsewhere, **Distillers** receded 2 to 149p despite favourable Press comment.

International Timber moved into the *spotlight*, closing 10 higher at 116p, following a reasonable turnover. **G. Dew** continued firmly, picking up 6 more at 108p for a two-day rise of 11: the preliminary figures are expected on Friday. **Vibroplant** edged up 2 to a 1975-76 peak of 112p on small buying ahead of to-day's interim report, while others to make headway included *Econa*, 3½p up at 32p, and **Travis and Arnold**, 4 better at 133p. **R. Costain**, however, declined 6 to 222p and falls of around 4 were sustained by **Rugby Portland**, 80p, **Tarmac**, 184p, and **A. P. Cement**, 180p.



After easing at one stage to 279p, **ICI** rallied to close a penny better on the day at 382p.

Television Contractors made fresh modest progress, **Ulster "A"** closing 2 firmer at 40p.

EMI harden

Electrical leaders endured quiet trading conditions, but generally closed a little better after Monday's reaction. **EMI** managed to harden 3 to a 1975-76 high of 249p, benefiting from the encouraging second-quarter report from its U.S. subsidiary, Capitol Industries-EMI. **Reyrolle Parsons**, following news of a multi-million pound turbine generator order from Korea, improved 2 to 110p, while **Philips' Lamp**, on Amsterdam advices, firmed ¼ to a 1975-1976 peak of £10¼. **GEC** closed a penny better at 157p, after 159p, but **Plessey** were a shade easier at 77p. **Unitech** were outstanding in otherwise narrowly mixed *secondary issues with a fall of 7* at 103p in reflection of the half-time profits setback. **Henry Wigfall**, 210p, gave up 2 of the previous day's Press-inspired rise of 12 in a thin market, *but* **Westinghouse Brake**, in response to the rise in profits, put on 2 to 39p. **BSR** gained 3 at 111p, **British Electronic Controls** a penny at 13½p, and **Cray Electronics** 2 at 34p.

Leading Stores closed with modest falls following a reasonable trade. *Marks and Spencer* ended 2 cheaper at 105p, while "Gussies" "A," 221p, and Debenhams, 99p, shed a penny apiece. **UDS** were lowered 3 to 91p. *Burton "A", however, resisted the* easier trend, finishing unchanged at 57p following Press comment on a broker's circular. Secondary issues adopted no set pattern. *Bakers Stores hardened 1½ to 17p,* while **Forminster**, 72p, and **E. Shepherd**, 59p, put on 4 and 5 respectively. An adverse Press mention clipped 2 from **Mothercare** at 168p, while other dull spots included **John Michael**, 2 off at 11p, and **Lee Cooper**, 5 cheaper at 70p. After opening lower at 11½p, **Maple Macowards** rallied to close ½ easier on the day at 12½p. Shoes were noteworthy for a penny rise to 14½p in **Wearra**.

Features in the Engineering sector once again took place outside *of the leaders*. Further anxiety about to-day's interim figures prompted fresh selling of **Benjamin Priest**, which fell 4 more to 52½p, for a two-day *decline of 7*. **Expanded Metal**, at 80p, lost 6 of the previous day's advance of 8, while the first-half profits setback left **Beyer Peacock** a penny down at 10p. **J. Saville Gordon**, 35p, also closed a penny *lower after trading news.* By way of contrast, Press comment drew buyers attention to **W. E. Norton**, which improved steadily to close 5 dearer at 14½p, while a Press suggestion that *the group* will announce bumper profits and a one-for-one share bonus issue to-morrow left **Hill and Smith** a fresh 2 higher at 84p, for a two-day gain of 8. **Ratcliffe Industries** found support at 52p, up 4, while improvements of around 3 were seen in **Brasway**, 59p, and **RCF**, 45p. Of the leaders, apart from **John Brown**, which edged forward 2 to 74p, an easier trend prevailed. **Tube Investments** gave up 4 to 344p and penny *losses* were sustained by **GKN**, 307p, and **Vickers**, 166p. Shipbuildings gave ground, with **Vosper Thornycroft** 2 off at 85p.

Foods had another quiet session, closing *marginally easier where* changed. **Tate and Lyle** shed 2 further to 287p, while losses of a penny were sustained by **J. Sainsbury**, 128p, **Unigate**, 57p, and **Cavenham**, 134p. *Associated Fisheries* were lowered 2 to 26p on small selling ahead of to-day's preliminary statement. **Amos Hinton** receded 3 to 50p, but **J. E. Sanger** *contrasted with a rise of* 2 to a 1975/76 peak of 64p.

Swan Ryan, reflecting the dividend cut and profits setback, receded ½ to 12p.

Amalgamated Metal up

Miscellaneous Industrial leaders, after an idle trade, closed a little easier for choice. **Rank Organisation "A"** slipped 4 to 150p, as did **Reed International** to 276p, while **Bowater** closed 3 off at 188p. Elsewhere, **Amalgamated Metal** remained in favour and rose 8 more to 218p. **AAH** improved 5 to 171p and **Ferro Metal and Chemical** 4 to 56p, while gains of about 3 occurred in **Relyon PBWS**, 77p, and **Rexmore**, 46p. **Horizon Midlands**, 29½p, and **Sunlight Services**, 20½p, both hardened 1½. **Prestige Group** put on a penny more to 132p on the increased profits. However, **Glass and Metal**, after hardening to a 1975-76 peak of 67p, came back to 64p for a net loss of 2 on slight disappointment with the results. The half-time profits setback left **Abbey** 2 easier at 22p, while **Walker and Homer**, 22p, relinquished the previous day's Pres-inspired gain of 2. **Concrete**, 64p, gave up Monday's improvement of 8 which followed news of the sale of the Pentos stake to **Bryant Holdings**, another penny down at 23p; **Pentos** closed unaltered at 57p, after 59p, following Monday's rise of 5.

Dowty provided a late feature in Motors and Distributors, rising 5 to a 1975-76 peak of 163p on *the better-than-expected interim* results. **Lucas** were raised 4 to a 1975-76 peak of 213p. **Brown Bros.**, however, eased ½ to 17p. Garages were generally better where changed. Small buying in a thin market raised **Adams and Gibbon** 5 to a 1975-76 peak of 61p, while **Braid Group** finished a fraction harder at 19p following the chairman's statement.

Newspapers had an easier bias, **Associated** closing a penny off at 114p and **United** finishing 2 *cheaper at 262p. Publishers also* sported a couple of dull spots in **Associated Book** and **Morgan Grampian**, both of which closed 3 easier at the common price of 60p.

There was little interest shown in the Property leaders, which followed Monday's downtrend. **Land Securities**, 190p, and **MEPC**, 90p, both finished a penny cheaper. Secondary issues were also in easier vein, although **Warnford Investments** provided a firm exception at 192p, up 5. **Town and Commercial** shed another 1½ to 11½p, still reflecting nervousness over the large stake held by Charles Spreckley, whose share quotation was suspended on Monday pending "urgent discussions" with its bankers. **Artagen Properties** eased 1½ to 79½ awaiting results due next Tuesday. **Great Portland Estates** declined 4 to 256p and **Chesterfield Properties** 3 to 147p.

Oils easier

Burmah continued to attract a good deal of attention in otherwise quiet Oils but, with profit-taking predominating, the shares relinquished 3 at 46p. The leaders lost a little more ground in thin trading; **British Petroleum**, following Press comment on a broker's circular, softened 4 to 583p, while **Shell Transport** shed 3 to 387p, but **Royal Dutch**, on Wall Street influences, improved ¼ to a 1975-76 peak of £37½. Elsewhere, **British Borneo** slipped 4 to 116p and **Ultramar** 2 to 198p. Overseas issues had **Woodside-Burmah** 5 cheaper at 134p, but **Ranger Oil** up ⅜ to £12½ and **Siebens Oil and Gas (U.K.)** 15 higher at 230p.

Among little-changed Overseas Traders, **Harrisons and Crosfield** shed 13 to 912p and *Inchcape* closed 3 easier at 397p, after 402p, but **Agar Cross** improved a penny more to 16p.

Apart from a fresh fall of 8 to 120p in **Lampa Securities** on further consideration of the chairman's resignation. Trusts and Financials were featureless.

Ocean Transport claimed most of the attention yesterday in Shippings; opening at around 146p ex "rights," the shares drifted lower to finish 5 off at 141p; the "new" nil-paid shares opened at 35p premium and closed at 31p premium.

Preliminary profits, which were generally in line with market *expectations*, helped **Bats** improve 7 to a 1975/76 high of 365p in Tobaccos. **Imps** (results due next Tuesday) recovered from early softness to close a shade harder at 84½p.

Bond Street Fabrics featured Textiles, rising 5 to a 1975/76 peak of 42p on the better-than-expected results. Reflecting the *large share placing,* **William Reed** hardened 2 to 34p.

South African Industrials had a couple of firm spots in **Primrose**, 8 better at 183p and **O.K. Bazaars "A"** *10 higher at 740p.*

Pancontinental lower

A fresh bout of profit-taking left its mark on *some Australian* uranium issues although prices were occasionally above the day's lowest. **Pancontinental** fell to £16¼ before ending a net half-point off at £16¼, while **Mid-East Minerals**, which has a [illegible] ing in Pancontinental, e[illegible] 45p.

Peko-Wallsend, which [illegible] isolated firm spot in [illegible] *home markets*, put on [illegible] 1975-76 high of 510p, [illegible] of its partner in the [illegible] uranium prospect. EZ [illegible] were unaltered at 35[illegible] of *the sharply reduced* [illegible] profits and dividend. [illegible] ings were 8 down at [illegible]

Gold shares made a [illegible] ing, reflecting the fresh [illegible] in *the bullion* price [illegible] with the metal, closed [illegible] day's highest. The Gold [illegible] index was 8 points up [illegible] while the metal was [illegible] higher at $131.25 after [illegible]

Gains in the heav[illegible] ranged to around a [illegible] **Western Holdings** ([illegible] **Drie** (£30¼ after [illegible] **Western Deep** (£14¼ af[illegible]

Financials mirrored [illegible] of Golds, with "Amcoal" a point up at £28 and [illegible] 7 to the good at 324p. [illegible] the increased full-year's [illegible] and dividend. **Gedeld** [illegible] ments were 20 to the [illegible] 320p. Platinums edged [illegible] helped by modest Cape [illegible]

Increased hopes of a[illegible] ment of the Rhodesian [illegible] led to a 15 gain in Fal[illegible] at 125p, while Rhodesi[illegible] poration jumped 4 to [illegible] shares being thin mar[illegible]

Elsewhere, **Northgate** [illegible] to 350p owing to pr[illegible] after the recent ris[illegible] **Sabina** eased 5 to 107p.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)	Tuesday, Feb. 3, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday Feb. 2: Index No.	Friday Jan. 30: Index No.	Thurs. Jan. 29: Index No.	Wed. Jan. 28: Index No.	Year ago (approx.): Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	153.56	−0.8	15.09	5.53	10.03	10.02	154.80	155.06	152.98	152.09	83.06	155.06 (30/1/76)	51.78 (6/1/75)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	146.54	−0.8	11.61	5.74	13.41	13.41	147.68	148.74	146.27	145.71	76.39	150.18 (16/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	245.35	−2.5	14.57	3.91	10.61	10.61	251.69	252.71	249.31	247.85	135.10	263.54 (18/11)	74.74 (6/1/75)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	270.53	−1.1	16.15	4.41	9.09	9.09	273.62	272.48	270.34	269.51	158.19	273.62 (2/2/76)	98.49 (2/1/75)	350.04 (4/5/72)	84.71 (3/6/66)
5	Engineering (Heavy) (13)	177.93	−1.0	18.38	6.64	8.85	8.85	179.78	181.38	178.91	177.39	100.82	181.38 (30/1/76)	64.39 (2/1/75)	202.57 (3/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	137.71	−0.2	16.15	6.26	9.28	9.27	137.93	138.03	136.06	134.76	70.30	138.03 (30/1/76)	45.43 (6/1/75)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	54.82	+0.5	15.40	6.83	11.70	11.70	54.57	54.94	53.31	53.08	30.15	54.94 (30/1/76)	20.11 (2/1/75)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	132.46	−0.7	15.66	6.32	9.69	9.69	133.43	133.69	131.65	131.25	75.14	133.69 (30/1/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	133.06	−0.1	14.16	4.72	10.65	10.64	132.92	133.49	130.81	129.12	59.24	133.49 (30/1/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	151.40	+0.1	12.85	3.54	11.65	11.63	151.18	152.24	148.20	146.48	71.84	152.24 (30/1/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	180.38	—	13.40	5.96	10.99	10.96	180.47	181.18	180.1	179.41	95.75	181.70 (16/1/76)	64.53 (6/1/75)	265.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	77.76	+0.1	16.59	6.14	9.24	9.24	77.67	77.68	76.51	75.06	28.85	77.76 (3/2/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	161.30	−0.3	12.51	5.42	11.81	11.70	161.81	161.90	159.63	158.61	96.80	161.90 (30/1/76)	61.98 (6/1/75)	225.08 (16/2/72)	61.41 (13/12/74)
14	Breweries (15)	177.21	−1.2	12.73	6.09	11.78	11.78	179.43	179.03	176.53	174.07	117.10	179.43 (2/2/76)	75.58 (6/1/75)	281.87 (25/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	183.05	−1.4	10.11	5.51	15.01	15.01	185.67	184.58	181.75	182.07	120.51	185.67 (2/2/76)	80.42 (6/1/75)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	206.22	−0.2	10.91	6.92	14.67	13.99	206.61	206.49	203.66	202.35	93.22	206.61 (2/2/76)	55.28 (6/1/75)	329.99 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	173.03	−0.4	12.59	4.79	11.18	11.11	173.80	173.24	170.63	167.89	99.09	173.80 (2/2/76)	62.03 (2/1/75)	211.65 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	147.27	−0.8	10.97	4.70	13.24	13.24	148.46	149.81	149.25	147.77	92.09	155.88 (10/11)	57.15 (2/1/75)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	177.31	+0.8	12.73	5.70	11.79	11.79	175.95	176.51	174.96	173.94	88.22	177.31 (3/2/76)	55.08 (6/1/75)	250.29 (18/1/72)	56.08 (6/1/75)
20	Packaging and Paper (13)	110.74	−0.2	19.97	6.90	7.46	7.46	110.97	111.38	109.83	108.47	69.27	111.38 (30/1/76)	45.46 (6/1/75)	135.69 (26/4/72)	43.46 (8/1/75)
21	Stores (33)	135.69	−0.4	11.05	4.99	13.90	13.88	136.24	135.64	132.83	133.29	84.34	136.24 (2/2/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	180.12	−0.7	13.23	6.00	9.73	9.13	181.30	183.19	181.75	179.69	95.48	183.19 (30/1/76)	62.91 (3/1/75)	253.72 (17/8/66)	62.66 (11/12/74)
23	Tobaccos (3)	230.78	+1.3	15.04	5.86	10.12	10.12	227.75	229.91	227.77	227.15	147.14	230.78 (3/2/76)	109.92 (6/1/75)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	61.91	—	22.02	6.42	6.32	6.32	61.91	62.17	60.29	59.72	33.07	65.76 (20/11)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	218.11	−0.3	12.84	4.42	10.92	10.91	218.71	218.42	214.73	211.86	112.27	218.71 (2/2/76)	73.14 (6/1/75)	218.71 (2/2/76)	71.20 (1/12/74)
26	Office Equipment (10)	92.49	−1.8	13.99	5.64	10.52	10.52	94.16	92.84	92.06	90.91	82.63	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	417.97	−2.5	17.29	5.92	7.40	7.11	428.55	432.64	425.56	420.73	284.55	432.64 (30/1/76)	194.38 (6/1/75)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	170.24	−0.6	13.89	6.20	10.61	10.60	171.23	172.73	170.47	168.94	96.46	172.73 (30/1/76)	60.39 (6/1/75)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	163.03	−0.6	13.48	5.34	10.91	10.84	163.84	164.06	161.68	160.38	92.94	164.06 (30/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	335.14	−0.7	15.01	4.80	7.44	6.66	337.57	339.32	337.00	333.90	173.08	351.71 (9/1/76)	105.83 (2/1/75)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	177.55	−0.6	13.70	5.26	10.22	9.94	178.49	178.83	176.43	174.98	99.79	178.83 (30/1/76)	63.49 (6/1/75)	227.98 (16/5/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	151.36	−0.3	—	4.68	—	—	151.76	153.46	152.51	150.76	91.09	153.46 (30/1/76)	56.50 (6/1/75)	241.41 (1/4/72)	55.88 (13/12/74)
33	Banks (6)	188.78	—	15.44	4.26	9.90	9.90	188.86	191.98	192.16	189.17	99.76	192.16 (29/1/76)	62.56 (2/1/75)	288.32 (30/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	181.11	−1.0	—	6.79	—	—	182.92	184.75	177.50	176.05	126.15	186.52 (15/1/76)	84.13 (6/1/75)	293.13 (27/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	126.46	+0.2	—	5.82	—	—	126.23	126.27	123.65	118.48	71.98	134.39 (10/5)	42.81 (6/1/75)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	128.12	+0.1	—	5.34	—	—	127.93	129.46	128.20	128.14	77.46	129.46 (30/1/76)	44.88 (2/1/75)	194.48 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	117.95	−0.4	—	5.82	—	—	118.38	119.75	119.11	118.05	70.88	123.90 (20/5)	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	228.72	−0.7	9.06	4.01	16.64	16.64	230.29	230.46	226.91	223.56	117.32	232.39 (15/11)	68.96 (7/1/75)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	92.71	−0.7	—	5.94	—	—	93.35	93.61	93.51	93.10	57.85	94.97 (7/5)	31.21 (7/1/75)	278.57 (1/6/72)	31.21 (7/1/75)
40	Property (32)	190.72	−1.1	2.40	2.66	79.56	73.88	192.81	194.57	192.30	189.86	142.83	241.22 (22/4)	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	91.98	+2.2	13.96	5.91	11.23	11.23	89.98	89.97	89.11	86.94	53.34	91.98 (3/2/76)	34.78 (10/1/75)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	182.60	−0.9	2.75	3.92	36.39	36.36	184.24	184.55	180.71	179.70	120.12	184.55 (30/1/76)	73.43 (6/1/75)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	171.14	−0.5	—	5.08	—	—	172.02	172.64	170.49	169.01	98.44	172.64 (30/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	447.96	−0.4	14.31	7.50	10.73	10.70	448.39	438.70	427.48	423.63	347.92	525.43 (3/6)	281.66 (2/1/75)	565.37 (23/7/73)	84.68 (25/8/65)
45	Teas (9)	124.25	−0.5	38.05	8.34	3.86	3.80	123.64	122.91	121.63	120.83	80.30	124.57 (11/11)	76.75 (10/1/75)	124.87 (1/11/76)	59.72 (17/10/74)
46	Coppers (3)	267.28	+0.7	36.97	6.43	2.70	2.70	265.37	268.69	270.60	272.02	416.41	467.74 (27/5)	151.97 (16/12/75)	567.78 (13/7/73)	94.08 (23/4/62)
47	Mining Finance (11)	112.70	+0.9	10.49	4.46	10.78	10.78	111.67	111.18	111.44	110.92	95.25	141.54 (30/5)	80.58 (22/1/75)	175.90 (22/4/69)	66.31 (30/9/74)
48	Tins (8)	88.07	−0.4	14.20	10.25	10.05	9.43	88.42	88.77	88.77	88.36	72.61	114.49 (3/6)	58.91 (2/1/75)	125.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	235.26	−0.1	14.25	4.44	8.98	8.98	234.96	235.92	232.70	232.63	143.42	252.23 (20/5)	97.37 (6/1/76)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tuesday, Feb. 3: Index No.	Yield %	Mon. Feb. 2	Friday Jan. 30	Thurs. Jan. 29	Wed. Jan. 28	Tues. Jan. 27	Monday Jan. 26	Friday Jan. 23	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols. 2½% yield	—	13.22	13.04	13.02	13.19	13.45	13.54	13.53	13.70	15.35	—	—	—	—
2	20-yr. Govt. Stocks (6)	52.61	12.40	53.39	53.45	52.36	51.72	51.46	51.78	50.69	45.41	53.45 (30/1/76)	38.27 (3/1/75)	115.43 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	51.36	14.40	51.26	50.76	50.45	50.29	50.29	49.99	50.46	42.93	51.36 (3/2/76)	37.01 (3/1/75)	113.43 (23/12/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	50.29	13.76	50.29	50.21	50.21	49.99	49.99	49.94	49.94	41.84	50.29	35.36	114.41	34.45
5	Coml. and Indl. Prefs. (20)	71.03	12.36	71.97	71.86	70.95	69.94	69.84	69.58	69.47	57.74	71.97	47.67	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/70	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Toys and Games	[illegible]	[illegible]	Insurance Brokers	29/12/67	96.67
Office Equipment	[illegible]	[illegible]	Mining Finance	29/12/67	100.00
Industrial Group	31/12/70	128.20	All Other	10/4/62	100.00

† Redemption yield.

Calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by inland post 16p. Commonwealth 18p, Foreign 22p.

FINANCIAL TIMES STOCK INDICES

	Feb. 3	Feb. 2	Jan. 30	Jan. 29	Jan. 28	[illegible]
Government Secs.	64.49	65.15	65.21	64.39	63.84	[illegible]
Fixed Interest	64.11	64.41	64.12	63.48	62.96	[illegible]
Industrial Ordinary	409.5	412.3	417.4	408.7	404.6	[illegible]
Gold Mines	232.1	224.1	215.3	216.9	214.4	[illegible]
Ord. Div. Yield	5.09	5.07	5.07	5.17	5.21	[illegible]
Earnings Y'ld % (full)	14.78	14.71	14.57	14.84	14.93	[illegible]
P/E Ratio (net)	9.97	10.01	10.11	9.95	9.85	[illegible]
Dealings marked	8,216	8,901	8,455	7,682	7,160	[illegible]
Equity turnover £m.	—	79.49	116.80	94.08	65.00	[illegible]
Equity bargains total	—	21,214	22,693	17,604	17,605	[illegible]

[illegible]

(a) Based on 52 per cent. corporation tax. [illegible] Basis 100 Govt. Secs. [illegible] Fixed Int. 1928. Ind. Ord. [illegible] Mines 12.9.55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21	49.18	127.4	49.18
Fixed Int.	64.43	50.53	150.4	50.53
Ind. Ord.	417.4	146.0	549.6	49.4
Gold Mines	442.5	197.1	442.3	43.5

S.E. ACTIVITY

[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
ICI	£1	13	382	+ 1	384	118
Barclays Bank	£1	11	348	—	350	112
Shell Transport	25p	11	387	− 3	404	118
BP	£1	10	583	− 4	615	190
P & O Defd.	£1	10	115	− 3	128	59½
Norton (W. E.)	5p	10	14½	+ 5	14½	7½
Burmah Oil	£1	9	46	− 3	100	27
Ocean Tpt. 'New'	Nil/pd.	9	31*	—	35*	29½*
Slater Walker	25p	9	24	− 1	108	17
"Bats"	25p	8	365	+ 7	365	164
Brit. Leyland	50p	8	27	—	57	20
Brown (J.)	£1	8	74	+ 2	120	42
Distillers	50p	8	149	− 2	152	65½
Marks & Spencer	25p	8	105	− 2	128	47½
Beecham	25p	7	356	− 1	359	116

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb. 3	Feb. 16	Apr. 29	May 11
Feb. 17	Mar. 1	May 13	May 25
Mar. 2	Mar. 15	May 27	Jun. 9

"Calls" were done in Brown Boveri, Selection Trust, Town and City, Associated Engineering, Burmah Oil, Avon Rubber, Dunlop, Securicor "A," Ackroyd and Smithers, Lex Service, Burton "A," Braby Leslie, Consolidated Gold Fields, Fitch Lovell, IDC, Tricentrol, Town and Commercial and Convertible, Yarrow, British Rollmakers, British Land, Grand Metropolitan, Allied Breweries, Marks and Spencer, RHM, Davy International, and Slater Walker. "Puts" were dealt in Lex Service and Burmah Oil, while "doubles" were arranged in Dunlop, Burmah Oil, EMI, Avon Rubber, British Land, Town and City and Shell Transport.

Industrials							
A. P. Cement	15	Guardian	20	Spillers	5	Shell	28
Assoc. Leisure	5	G.K.N.	22	Tesco	6	Ultramar	20
Barclays Bank	25	Hawker Sidd.	27	Thorn "A"	20		
Beecham	28	House of Fraser	8	Tube Invest.	27	**Mines**	
Boots Drug	12	I.C.I.	21	Unilever	40	Anglo Amer.	50
Bowaters	16	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
B.A.T.	30	I.C.L.	7	Vickers	13	Chart'rh'll Fin.	6
British Leyland	7	Inveresk	7	Williams Hud'n	4	Cons. Gold	18
BOC Int.	5½	Legal & General	13	Woolworths	6	De Beers Def.	35
Burton 'A'	7	Ladbroke	11			F. S. Geduld	350
Cadburys	6	Lloyds Bank	22	**Property**		Great Boulder	12
Courtaulds	11	"Lofs."	5½	Amal. Inv.	4	Hampton Areas	14
Debenhams	8	"Mams"	6	Brit. Land	4	Hampton Prop.	4
Distillers	13	Marks & Sp'ncer	11	Cap. Counties	4½	Kloof	140
Dunlop	6½	Midland Bank	25	E.P.	8	Lonrho	13
Eagle Star	13	Nat'l West Bank	22	Land Securities	18	Loraine	55
E.M.I.	17	"Do" Warrants	10	MEPC	9	Poseidon	55
Gen. Accident	16	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
Gen. Electric	13	Plessey	8	Town & City	4½	Rio T. Zinc	20
Glaxo	35	R.H.M.	6	Town & Comm.	4	Welkom	55
Grand Met.	7	Rank Org. 'A'	18			West Areas	75
G.U.S. 'A'	17	Reed Int'l	23	**Oils**		Western M'ng.	18
		Rothmans	4	Brit. Petroleum	42		
		Slater Walker	5½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975-76.

NEW HIGHS (114)

COMMONWEALTHS (5)
Do. 5½pc 77-80 NZ 4pc 76-78
Aust. 5½pc 75-78 Do. 7½pc 83-86
Do. 5½pc 1981-82
LOANS (1)
USMC [illegible]
FOREIGN BONDS (2)
Ireland [illegible]
AMERICANS (10)
Burroughs [illegible]
Champion [illegible]
Colt [illegible]
Cont. [illegible]
Cutler-[illegible]
CANADIANS (4)
Can. [illegible]
Hudson [illegible]
BANKS (2)
Hongkong [illegible]
BUILDINGS (7)
Cox [illegible]
Econa [illegible]
FC Con[illegible]
Intnl. [illegible]
CHEMICALS (2)
Bayer [illegible]
CINEMAS (2)
Assoc. [illegible]
STORES (4)
Beattie [illegible]
Empire [illegible]
ELECTRICALS (8)
BSR [illegible]
Brit. E[illegible]
Cohen [illegible]
Cray E[illegible]
ENGINEERING (10)
Allen [illegible]
Beaufort [illegible]
Greenb[illegible]
Hill and Smith [illegible]
Ley's F[illegible]
FOODS (1)
Sanger [illegible]
HOTELS (1)
Savoy [illegible]
INDUSTRIALS (19)
AAH [illegible]
Amlgd. [illegible]
Barr and [illegible]
Bentima [illegible]
Burnden [illegible]
Carlton [illegible]
Dufay [illegible]
Glass and [illegible]
Hoskins [illegible]
Howard [illegible]
INSURANCE (1)
Sun Life
MOTORS (7)
Clayton [illegible]
Dowty [illegible]
Lucas [illegible]
Adams and Gibbon [illegible]
NEWSPAPERS (1)
Pearson Longman
PAPERS (2)
Clay (Richard) Usher Walker
PROPERTY (4)
Evans Leeds Prop. Hldg. and Inv.
Hong Kong Land Webb (Joseph)
TEXTILES (3)
Beckman (A.) RKT
Bond St. Fabrics
TOBACCOS (1)
"Bats"
TRUSTS (11)
Deb. Can. Do. Sub Shs.
Grange Tst. Schles (Jersey)
Icofund (£) Throgmorton Cap.
Jersey Ext. Prf. U.S. Deb. Cap.
Nealt S.A. Chancery
Rolinco NV
OILS (1)
Royal Dutch
OVERSEAS TRADERS (1)
Grt. Nthrn.
RUBBERS (2)
Cons. Plants. Malakoff
MINES (2)
Peko-Wallsend Yukon Cons.

NEW LOWS (1)

PAPERS (1)
Clyde Paper

RISES AND FALLS YESTERDAY

	Up	[illegible]
British Funds	—	[illegible]
Corpns. Dom. and Foreign Bonds	13	[illegible]
Industrials	2[illegible]	[illegible]
Financial and Prop.	51	[illegible]
Oils	7	[illegible]
Plantations	8	[illegible]
Mines	17	[illegible]
Recent Issues	3	[illegible]
Totals	[illegible]	[illegible]

BASE LENDING RATES

Allied Irish Banks Ltd.
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Banco de Jerez
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AFI
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duboff Brothers
Duncan Lawrie
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
Hawtin & Partners
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
Portman Guaranty
P. S. Refson & Co.
Rossminster Accept's
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Sterling Credit
Thames Guaranty
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits [illegible]
† 7-day deposits on sums of [illegible]
§ Demand deposits [illegible]

CORAL INDEX
Close 409-414

I.G. INDEX
GOLD 129½-132½

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Address shown under Insurance and Property Bond table.

MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 10 per cent. (since January 30, 1976)

Day-to-day credit was expected to be in good supply in the London money market yesterday, but a small shortage had developed by the close and the authorities gave a moderate amount of assistance by buying Treasury bills from the Discount houses. Banks brought forward surplus balances, and Government disbursements exceeded revenue payments to the Exchequer. On the other hand there was a net market take-up of Treasury bills to finance and the market was also affected by an increase in the note circulation.

Discount houses paid 9-9¾ per cent. for secured call loans at the start and closing balances were taken at around 8½-9½ per cent.

In the interbank market overnight loans commanded 9¾-9½ per cent. in the early part and after easing to 8-8½ per cent., closed at 10¼-11 per cent.

Short-term fixed period interest rates were generally easier, with the three-month sterling certificate yield falling to 9¼-9½ per cent. from 9⅝-9¾ per cent.

Rates in the table below are nominal in some cases.

Feb. 3 1976	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposit	Treasury bills ♦	Eligible Bank bills ♦	Fine trade bills ♦
Overnight	—	8-11	—	—	—	—	10-10¼	[illegible]	—	—
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Local authority and finance houses seven days' notice, others seven days' fixed. [illegible] Finance House Base Rate (published by the Finance Houses Association) [illegible] Average tender rates of discount [illegible]

هكذا صدر الأصل

AUTHORISED UNIT TRUSTS

Friends' Provdt. Unit Tr. Mgrs♥

Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	32.1	34.5	-0.1	4.27
Do. Accum.	37.8	40.4	-0.1	4.27

G.T. Unit Managers Ltd.♥

16, St. Martins-le-Grand, EC1. 01-600 9451

G.T. Cap. Inc.	64.1	68.1xd	-0.3	2.50
Do. Acc.	73.5	78.1	-0.3	2.50
G.T. Inc. Fd. Un.	112.4	119.5	+1.1	8.40
G.T. U.S. & Gen.	133.1	141.4	+1.5	1.00
G.T. Japan & Gen.	175.5	186.6	+1.9	0.60
♦Gt. Pens.Ex.Fd.	114.3	122.0xd	-0.1	2.10

REGIONAL MARKETS

...of the share prices previously shown under regional headings is ...with quotations on London. Irish issues, most of which are not ...in London, are shown separately and with prices as on the Irish...

18	......	Craig Ship. £1	330	......	Shiloh Spinn.	30	......
33	......	Hallam Sleigh 10p	7	......	Sindall (Wm.)	53	......
29	......	Higsons Brew.	93	......			
150	......	I.O.M. Stm. £1	150	+20	**IRISH**		
30	......	Holt (Jos.) 25p	260	......			
320	......	Kleen-e-Ze	18	......	Alliance Gas (£1)	85	......
23	......	Lovell's Ship £1	70	......	Carroll (P. D.)	118	......
57	......	N'thn. Goldsmith	89xd	......	Clondalkin	46	......
31xd	......	P.M.A.	52	-1	Concrete Prods.	85	......
9	......	Pearce (C. H.)	80	......	Goodbody (£1)	34	......
40	......	Peel Mills	12	......	Helton (Hldgs.)	37	+3
16	......	Richards 10p	15½	......	Irish Distillers	68	+6
135	......	RobbCaledonSh.	46	-1	Irish Wire	40	......
12	......	Sayers 12½p	73	......	Jacob	70	......
75	......	Sheffield Brick	70	......	Sunbeam	13	......
		Sheff. Refrshmt.	140	......	Unidare	70	......

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from Wednesday, February 4th, 1976, their Base Rate for lending will be reduced from 10½ per cent. to 10 per cent. per annum.

Interest payable under the Bank's Demand Deposit Scheme on sums of £1,000 up to £10,000 will be at the rate of 7½ per cent. per annum.

Hill Samuel & Co. Limited
100 Wood Street
London EC2P 2AJ
Telephone: 01-628 8011

HISTORY TODAY

Edited by Peter Quennell and Alan Hodge

The FEBRUARY issue includes:

PAGAN JEWELLERY *Michael Grant*

BLACK PRINCE *C. T. Allmand*

...'S HOUSE IN CHELSEA *L. W. Cowie*

...G IN PARIS *Joanna Richardson*

NOW ON SALE 40p

...5.50 p.a. from Bracken House, Cannon St., London EC4

...IN 50,000 BETTER TOMORROWS!!

...people in the United Kingdom suffer from progressively ... MULTIPLE SCLEROSIS — the cause and cure of ... still unknown — HELP US BRING THEM RELIEF ...E.

...your donation to enable us to continue our work ...CARE AND WELFARE OF MULTIPLE SCLEROSIS ...and to continue our commitment to find the cause of MULTIPLE SCLEROSIS through MEDICAL ...L.

Please help—Send a donation today to:
Room F.1.,
The Multiple Sclerosis Society of G.B. and N.I.,
4 Tachbrook Street,
London SW1 1SJ.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅞	92⅛	Treasury 6½pc 1976‡‡	98⅞	......	6.59	9.38
99	97	Victory 4pc 1976‡‡	98¾	......	4.04	9.59
102	96⅞	Treasury 10½pc 1976‡‡	100⅞	......	10.43	9.10
97¼	88⅞	Treasury 6¼pc 1977‡‡	97¼xd	......	6.43	9.89
96	86¼	Electric 3pc 74-77	95⅞	......	3.13	6.91
103⅜	96⅞	Treasury 11½pc '77‡‡	102¼	–⅛	11.27	10.85
94	84	Treasury 3pc '77‡‡	93⅞	......	3.19	6.69
93⅞	84¾	Transport 4pc 72-77	93¾	–⅛	4.27	7.62
97⅞	90½	Treasury 9pc 1978‡‡	97⅜	–⅛	9.25	10.43
100⅞	96	Treasury 10½pc '78‡‡	100¼	–⅛	10.47	10.38
92½	79	Exchequer 5pc '76-78‡‡	92¾	–⅛	5.41	8.25
103⅞	94⅛	Treasury 11½pc '79‡‡	102⅞xd	–⅛	11.18	10.44
86⅞	71¾	Treasury 3pc '79‡‡	86⅝	–⅛	3.46	7.26
87⅞	73⅞	Electric 4¼pc 74-79	87⅞	–⅛	4.85	8.24
100⅛	94½	Treasury 10½pc '79‡‡	99¼	–⅛	10.58	10.71
99⅝	95⅛	Do. 10½ 1979 'A'	99¼	–⅛	10.58	10.73
86⅝	71	Electric 3½pc '76-79	86½	–⅛	4.05	7.67
95⅝	84	Treasury 9pc 1980‡‡	95⅜xd	–¼	9.44	10.43
95½	89¼	Treasury 9½pc '80‡‡	95¼	–¼	10.27	10.89
95½	92¼	Treas. 9½ 1980	95¼	–¼	10.27	10.92
86	68¼	Treasury 3½pc '77-80	85⅞	–⅛	4.09	7.34
87⅞	71	Funding 5¼pc '78-80‡‡	87½	–⅛	6.00	8.75
103⅛	94⅞	Treasury 11½pc 1981	102¾	–⅛	11.19	10.75
		Five to Fifteen Years				
86	66⅛	Treasury 3½pc '79-81	85½xd	–½	4.09	6.93
91⅝	72⅞	Do 8½pc '80-82‡‡	91¼	–⅛	9.36	10.63
107¾	86⅝	Treasury 12pc 1983‡‡	107¾	–⅛	11.68	11.59
79⅞	58	Funding 5½pc '82-84‡‡	79⅞	–½	6.96	9.27
86⅛	61⅞	Treasury 8½pc '84-86‡‡	85½	–⅝	10.01	10.96
74⅞	51⅞	Funding 6½pc '85-87‡‡	74¼	–⅝	8.96	10.76
77⅛	53	Treasury 7¾pc '85-88‡‡	76½	–⅝	10.02	11.38
51¼	32⅞	Transport 3pc '78-88	50½	–¼	5.97	10.14
59¾	39¼	Treasury 5pc '86-89	58⅞	–⅞	8.72	11.13
102	96	Treasury 13pc 1990‡‡	100⅞	–1	12.98	12.96
75⅞	53¼	Treasury 8¼ 87-90‡‡	75	–⅞	11.17	12.13

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††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

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BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا أصل الأصل

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
9	3	Burma Mine 17½p	9	.....	m0.5	—	1.5
65	17	Charterhall 5p	33½	−2	—	—	—
880	560	Cons. Murch. 10c	873	+10	Q80c	ϕ	5.1
53½	29½	Laurasia	35	.....	—	—	—
375	200	Northgate C$1	350	−10	tQ25c	1.0	3.9
211	80	R.T.Z.	203	+1	g5.51	4.4	4.2
135	47½	Sabina Inds. C$1	107	−5	—	—	—
81	45	Stanford Mines‡	45	.....	—	—	—
£12½	874	Tara Exptn. $1	£10⅜	.....	—	—	—
118	38	Yukon Cons. C$1	118	+6	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ϕ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ¶ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 19

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FINANCIAL TIMES
Wednesday February 4 1976

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Behind closed doors at Stormont

BY GILES MERRITT

BELFAST, Feb. 3.

AT THE prefab annexe entrance to the Stormont Parliament, a burly Royal Ulster Constabulary security man sat knitting babies' yellow booties. An elderly colleague from among the cluster of guards stood several inches straighter as a visiting brigadier inspected his medal ribbons. "That's quite a row your-'ve got," he remarked jovially, "Burmah?"

At first sight, a day like any other up on the mile-long hill dominating East Belfast where Stormont sits. The endless, resonant coridors with their expensive new paintwork are as deserted as ever. Only those in the know would be aware that to-day is the day Northern Ireland elected representatives return here after a three-month absence.

Solution

They have come, as directed by Westminster, to look once more for a constitutional solution that will give both religious communities a say in Ulster's future. They have exactly one month to do so. Set against nearly seven years of bloodshed and 50 years of bitterness, it is a tall order.

Officially, to-day's business is Plenary Session 32; unofficially it was the brief, almost cursory, reopening of an Assembly whose parties can find so little common ground that their leaders prefer to discuss their hard-line positions in the privacy of inter-party talks rather than in open session.

Acclamation

The Convention moved to adjourn itself and start the talking behind closed doors in a matter of minutes. It did so by general acclamation, which meant that no one spoke against it save one dissenting voice — Prof. Kennedy Lindsay, leader of his own one-man Ulster Dominion Group.

For 30 of the sitting's 39 minutes he united political rivals as he told them why all the Convention's 78 members but he were out of step. He united them in laughter

Mr. William Craig, the Vanguard leader, who is in rebellion against his Unionist colleagues as he champions coalition Government with the mainly Catholic Social Democratic and Labour Party, was told that he enjoys "as much support in the country as Jack the Ripper."

Mr. Harry West, the Fermanagh farmer who may head the majority Unionist Coalition but is not its leader, was described as a "highly flexible cowhand from out West."

More in hope...

Sir Robert Lowry, the Convention's chairman, who will preside over the series of hour-long inter-party discussions expected to occupy at least the coming fortnight then stepped in with his welcoming statement. He concluded, somewhat drily, that an agreed solution "is what we shall seek and what I believe the public, at present with more hope than confidence, desires."

As the Convention rose, the Rev. Ian Paisley lingered while studying a document, possibly the same one his aides were soon handing out to reporters. This was the text of a fighting speech delivered later to-night at a Protestant rally, and which chronicled "Britain's shame" and the plight of "the security forces handcuffed by treason-practising politicians."

Ministry attacked over P.O. finances

BY DONALD MACLEAN

THE Department of Industry was strongly attacked yesterday by the Select Committee on the Nationalised Industries for its handling of the financial problems of the Post Office.

The committee was "gravely concerned at an apparent lack of knowledge in the Department of Industry of the accumulating deficit of the Post Office beyond its forecast" in the current financial year.

The Department should have been "fully aware of and concerned in" the Post Office's problems, "particularly when they involve the taxpayer in deficits in excess of £300m."

The committee also attacks the Post Office Board, which, it says, "appears to have been extremely dilatory in disclosing to the Secretary of State, that there had been a material worsening of the Corporation's financial position.

The Post Office now expects to make an overall surplus this year, and not to take up its full £70m. Government subsidy on postal services. On telephone services, it expects to exceed its £80m. profit target. This follows introduction of new charges in the autumn, then expected to bring in £284m. Christmas traffic is said by the Post Office to have held up well in the face of the higher charges.

In a report on letter services, the select committee says that first-class mail should be regarded as a priority service, with "guaranteed next-day delivery for which the user should pay a premium," while the second service should be regarded as the standard service provided "at a price that users can afford."

The Post Office should at the same time, receive more for providing agency services, and the Government "should give sympathetic consideration to relieving the Post Office in some way" of a pension fund financial burden running back to before the setting-up of the Post Office as a State-owned Corporation in 1969.

Its letter services monopoly "should be protected."

The report of the select committee comes as the committee to review the Post Office, under the chairmanship of Mr. Charles Carter, begins its work. The first meeting of the committee was on January 22. It is expected to produce a final report within 15 months.

Separation move

Among the recommendations by the select committee is one that the separation of posts and telecommunications should be examined by the review committee. This takes a more open stance on the question than the select committee's previous suggestion that the two services "operate as independently of each other as common working for a single Corporation" permitted.

With the "increasingly technical nature of telecommunications work the extent of their interdependence in this field has steadily decreased."

The review committee should also re-examine tariff concepts "so as to determine a general tariff philosphy. This should aim at achieving a high level of traffic by judicious application of the ideal ration between first and second-class mails and the optimum price differential between them, so as to maximise profits."

In illustration of this the select committee says that the same revenue as the Post Office hopes to obtain from its September increases, o 8½p first-class and ½p second, on the forecast traffic level could have been raised by charging 10p for first-class letters and 6p for second-class, even if such a tariff had resulted in a fall in the ratio in volume between the two classes to 30-70.

If "the second-class tariff had been kept at 5p and the traffic level were restored to its former (1967-68) peak, it would be necessary to charged more than 8p for a first-class letter. Tariffs of this order are just as likely to generate traffic as the present tariffs are certain to reduce it."

Editorial Comment, Page 16

Fed likely to pursue same monetary policy—Burns

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Feb. 3.

DR. ARTHUR BURNS, chairman of the Federal Reserve, to-day forecast that the Fed's monetary policy would probably remain broadly unchanged this year.

But, in a Congressional address noted for its repeated warnings of the dangers of renewed inflation, he stated that "profound uncertainties that at present surround monetary developments, particularly the behaviour of M1 (cash in circulation and demand deposits), require a posture of exceptional vigilance and flexibility by the Federal Reserve in the months ahead."

Dr. Burns did disclose a slight adjustment in the Fed's overall monetary growth targets, however, the M1 growth target band was now 4½-7½ per cent., as opposed to 5-7½ per cent.

The lowering of the bottom end, Dr. Burns said, reflected technical factors, particularly the new regulation that took effect last November, which enables corporations to open savings accounts at commercial banks in amounts up to $150,000.

These funds had been previously held as demand balances and therefore were reflected in the M1 compilations. In the first two months of the new provision, Dr. Burns estimated that about $2bn. had been transferred into the new accounts, thus appreciably affecting the M1 statistics.

Technical factors aside, Dr. Burns implied that the Fed had no intention of turning on the monetary tap freely.

Growth targets for the broader monetary aggregates, which he suggested must be seen as more important in assessing monetary policy than M1, remained unchanged, at 7½-10½ for M2 and 9-12 per cent. for M3.

This, he argued, would be sufficient to underwrite a satisfactory rate of economic advancement. But he warned that "the growth rates of money and credit at present desired by the Federal Reserve cannot be maintained indefinitely without running a serious risk of releasing new inflationary pressures."

Unlike members of the Administration who have been telling Congress in recent weeks of the dangers of inflation, Dr. Burns did not dwell on the necessity of pruning the Budget deficit.

But this omission does not mean he went down better with the liberal Democrats on Capitol Hill, who would like to use monetary as well as fiscal means of boosting the economy and creating more jobs.

While noting that 1975 was better than 1974, Dr. Burns said there had been "some worsening in the rate of inflation since the middle of 1975.

"One troublesome sign has been the acceleration in wholesale prices of industrial commodities (to nearly 9 per cent. per annum against 3½ per cent. in the first half)...

"The rate of inflation in consumer markets could worsen further if the recent sharp increases in wholesale prices are passed through to the retail level."

He also pointed to wage increases as "disturbing." While the Treasury has tended to play down the threat of wage-induced inflation, Dr. Burns said:

"If wage settlements in major industries exceed those of 1975—when wage and benefit increases for the first year averaged already 11 per cent.—a new explosion of wages, costs and prices may be touched off."

He argued strongly that the Fed's monetary policy in the past six months or so had demonstrably been the right one, despite criticisms that it had been insufficiently expansionary.

"Increases in the turnover of money balances have been even larger than we at the Federal Reserve had anticipated.

"Over the past two quarters, the velocity of M1—that is, the ratio of GNP to M1—increased at an annual rate of over 10 per cent., the largest increase for any half year in the past quarter of a century."

This, Dr. Burns noted, had taken place in conditions of lower interest rates and ample credit.

Chrysler peace talks continue

BY ROY ROGERS, LABOUR CORRESPONDENT

TALKS ON the pay strike which is threatening to jeopardise Government financial support for Chrysler U.K. were continuing last night after ten hours.

A top Chrysler management team and national unions officials together with shop stewards spent their second day at the London headquarters of the Advisory Conciliation and Arbitration Service.

For most of the day the two sides were in separate rooms with Mr. Jim Mortimer, the ACAS chairman, and Mr. Andrew Kerr, his chief conciliation officer, moving between the rooms in a determined effort to find some common ground between the two.

It appeared last night that some slight progress was being made. Management had apparently given an undertaking that it would adhere to its negotiatde agreements in future while still not conceding that it was in breach of any agreement in the present dispute.

Parity

This assurance did however go some way towards appeasing the shop stewards and it enabled talks to centre on the pay issue at the company's Linwood, Renfrewshire, plant where 5,000 workers are on strike in support of £1.10 a week rises being demanded for 50 packers.

The 50 men were transferred to Linwood from a nearby packing plant which has been closed as part of the Chrysler rescue plan. They are demanding increases to give them pay parity with production workers at Linwood where there had previously been no packing operations and therefore no agreed pay rates for packers.

Management maintains that to meet the demand would be to breach the Government pay policy which says there must be at least 12 months between pay settlements. Management is also clearly aware that unless it manages to reach a lasting settlement on this relatively minor issue it could face far greater problems when production of the Avenger car range is switched from Coventry to Linwood later this year.

The Government has already warned that it might withhold the next tranche of the £162m. of financial support due to Chrysler unless this dispute is resolved and industrial relations in general improved.

Thorpe at MPs meeting to-night

By John Bourne, Lobby Editor

PRESSURE ON Mr. Jeremy Thorpe's position as leader of the Liberal party intensified yesterday ahead of a meeting this evening of the 13 Liberal MPs.

One of the possible contenders for the Liberal Party leadership should Mr. Jeremy Thorpe cease to hold the post said last night that the situation in the Parliamentary Liberal Party was "not good" and "could get worse."

Later another MP, Mr. Cyril Smith, the Liberal Chief Whip, told reporters he would be surprised if the situation surrounding Mr. Thorpe was not discussed at to-night's meeting of the Liberal MPs.

Formally, the meeting is on another matter — the report by Mr. Michael Steed, chairman of the Liberal Party's subcommittee which has drawn up recommended amendments to the party constitution. These amendments include a new method for electing the party leader involving votes for the chairmen of local parties, which will be discussed again by the party's annual conference this autumn.

Mr. mith said that he had seen Mr. Thorpe at lunchtime yesterday when Mr. Smith had raised the issue of the Devon doctor who was alleged by the Daily Mirror, to have put £2,500 into a bank account for Mr. Norman Scott. (Mr. Scott in a court case last week claimed that 15 years ago he had had a sexual relationship with Mr. Thorpe—a claim which Mr. Thorpe immediately denied as "wild allegations.")

Mr. mith said: "Mr. Thorpe tssured me that he knows nothing at all about the payment, that the doctor is not his and never has been and that he does not know the doctor, has never met him, spoken to him or set eyes on him."

The Liberal Chief Whip added: "Mr. Thorpe made it clear to me to-day that, if I advised him at any time that he ought to resign, he would be prepared to do so. But I assured him I had not the slightest intention of doing so because I did not believe any of the allegations at all—especially that Mr. Thorpe had been associated with the doctor's activities."

'Pointless'

There would be no point in the doctor or anyone else buying letters from Mr. Scott, said Mr. Smith, because the Liberal Party had had copies of these letters since 1971.

Asked about Mr. Thorpe's credibility as party leader, Mr. Smith told reporters: "Had I felt his credibility was involved, I would certainly have felt I would have taken the view he should be advised to go—for eample, had he been involved in blackmail, yielded to blackmail or anything of this character."

On Mr. Thorpe's credibility as a party leader in the country, Mr. Smith commented: "I never was one for crossing bridges until I come to them." But he stressed that of the 83 letters he had received so far—mainly from local party chairmen—only two had criticised Mr. Thorpe. Three had said that, if Mr. Thorpe were removed from the leadership, the writer would resign from the party.

Mr. Smith concluded: "The only way in which the party would be concerned in the matter would be if someone proved somebody had been telling lies or making public statements which were not true. So long as Mr. Thorpe remains a credible and honest man — and I find no reason to believe he won't be—I don't think it is necesary for the party to take any further action."

Yesterday Mr. Peter Bessell, former Liberal MP for Bodmin from 1964 to 1970, issued a statement saying that certain payments he or his company had made to Mr. Scott had no significance other than to help a destitute man, and he had no knowledge whatsoever of any alleged payment of £2,500. The payments from Mr. Bessell or his company amounted to no more than £200 or £300 over several months.

Warning on dried milk brands

By Lorne Barling

SOME BRANDS of dried milk, including the Government-subsidised National Dried Milk, are no longer to be recommended for babies under six months. The Department of Health decision follows repeated warnings that they could contribute to cot deaths.

Experts have suggested that unmodified cow's milk, when dried, contains a dangerously high concentration of salts which could lead to a condition which helps to cause cot deaths of young babies. In 1974 a Department of Health committee recommended that NDM should be modified.

Yesterday Mr. Michael Meacher, Under Secretary at the Department of Health, said in a Commons written reply that NDM should no longer be given to infants under the age of six months.

He added: "We do not intend to withdraw supplies of NDM because we are advised that it is suitable for healthy infants over six months of age."

THE LEX COLUMN

Improving trends at BAT

BAT's share price performance has been uninspiring over the last 12 months or so, and the same applies to its trading. Attributable profits for the year to September are £19.7m. higher at £137m. after tax—and currency swings account for £10.6m. of that increase. In addition, the pension provision has fallen by about £8m. pre-tax from last year's exceptional level, and a rather lower tax charge explains most of what remains of the earnings advance.

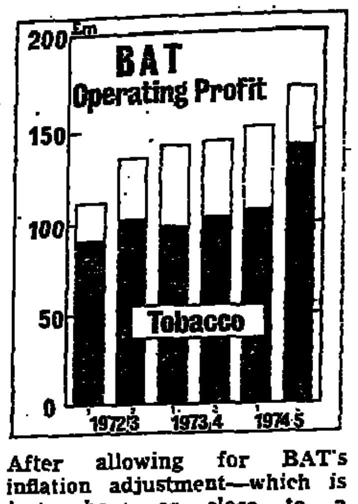
The outlook could now be improving, both for profits and the share price. Tobacco margins started to recover during the second half, and the trend should continue into 1975-76 with the help of another price increase in the U.S. and a full 12 months of last spring's price rise in Germany. Volume, too, seems to be firming up after a dull period—notably in the U.S., where BAT's market share slipped to under 17 per cent. last year.

At the same time, diversification into the retail trade is at last beginning to pay off, at least in the U.S. where a turnround in the non-foods business was largely responsible for a rise of three-fifths in operating profits to £17.1m. during the second half. And although Wiggins Teape is still suffering short-time werking in the U.K., the recession in the paper trade — which knocked nearly £14m. out of second half profits — appears to be bottoming out.

Of course there are still a number of specific worries for the share price. The U.S. tobacco operation has not produced a really successful new brand for a long time: Kool now accounts for around three-fifths of its sales, and its non-menthol brands seem to be under pressure. The diversification programme still has a number of large black spots — like International Stores, which cost around a tenth of the present euity three years ago, and may now be doing not much more than break even. Finally, there is always the possibility that Imps might decide to unload another lump of its holding (currently worth £150m.) on the market.

But for what it is worth, the impression seems to be that Imps is not going to be a big seller in the near future. And on fundamental grounds, there is a respectable case to be made for an international blue chip yielding 4½ per cent. and selling at about seven times earnings.

Index fell 2.8 to 409.5



After allowing for BAT's inflation adjustment—which is just about as close to a monetarily corrected version of Sandilands as is currently available from U.K. companies—the dividend is still covered three times. Net cash flow appears to have covered capital spending and working capital requirements with a bit to spare last year, so the balance sheet remains as sturdy as ever. The group is still increasing its share in important markets like Brazil. And an earnings rise of well over a tenth looks a reasonable hope for this year, without taking account of anything that might happen to sterling.

Gilts bonanza

As stockbrokers await news of the application to the Price Commission to increase commission rates, they can comfort themselves with the fact that January was probably the best month ever for commission income. Although equity turnover was 15 per cent. of the all-time record in May, 1972, this was offset by the hectice activity in gilts. Turnover of £13.7bn. last month dwarfs the previous peak of £8.4bn. in January, 1975. Although business i nshorts of £7.3bn. was nearly £2bn. higher than a year ago, commission is discretionary here and anyway very small; the sweet news for brokers is medium and long gilt turnover of £6.38bn. This is £2.8bn. higher than the previous peak in July and underlines all the stories about institution's switching longer, though the bonanza is, of course, mainly of benefit to the dozen specialist gilt brokers.

January was not such a bad month for equities either with turnover of £1.79bn. ... since last April. ... business has been ... since the summer ... turnover in the last ... down by nearly a ... previous half-year. ... squeeze is probably ... middle-sized brokers ... even some of the lar... have been having a ... time recently on their ... sidew ith the slowdown ... flofwfi of rights iss... the autumn. An inc... rates as proposed ... change in commission ... would help, with an ... average increase ... revenue of 6 to 7 per ... jobbers, of course, ha... to worry about at pre...

Dowty Group

Dowty Group is beg... look almost like a grow... Interim profits are ... up at £6.15m. and the ... forecast of about £1... the full-year: the ... responded with a rise ... 163p, a gain of nearly ... over the last four mont... expansion in world-w... mand for mining ... since 1973 has of cour... a major help to Dow... Dobson Park, and in pa... there has been an increa... tribution during the ... from the U.S. More... mining side is also th... reason for the three... point rise in group tra... gins to 10.9 per cent. ... £12m. fixed-price contr... China now out of the wa...

The other main adva... come from the aviation ... like mining about 40 p... of total sales—where th... been an advance both in ... and overseas with no ... dependence on any par... project. The hydraulic se... industrial hydraulics ... however, both slipped ... of the recession, and ... no signs of a pick-up ... "Overall, order books ... mained roughly the ... terms of volume over ... year with aviation sig... while on the mining sid... is little change in the ... Coal Board's demand ... but strong hopes ... potential overseas, espe... the U.S. and South ... These prospects—with th... fits of the Spey order t... coming through in 19... and the consistent ... should keep shareholders ... enough with a capitalisa... £61m.

Weather

U.K. TO-DAY

COLD and cloudy.

London, E. Anglia, S.E., E., N.E. and Cent. N. England, Midlands, S. Wales Borders

Cloudy. A little rain or snow. Wind E., moderate. Max. 1C (34F).

Channel Is., S.W. and Cent. S. England

Rain or sleet, perhaps snow. Wind E., fresh. Max. 3C (37F).

N. Wales, N.W. England, Lakes, I. of Man, N. Ireland

Mainly cloudy. A little rain or snow. Wind E., moderate. Max. 2C (36F).

Scotland

Mainly cloudy and dry. Wind E., moderate. Max. 4C (39F).

Outlook: Little change.

Lighting-up: London 17.24, Manchester 17.26, Glasgow 17.26, Belfast 17.37.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Alexandria	C	16	61	Manchstr.	C	1	34
Amstrdm.	C	−1	30	Melbourne	S	19	66
Athens	F	14	57	Mexico C.	C	14	57
Bahrain	S	22	72	Milan	C	4	39
Barcelona	F	12	54	Montreal	S	−12	10
Belfast	C	3	37	Moscow	S	−15	5
Belgrade	C	3	37	Munich	C	−3	27
Berlin	S	−4	25	Newcastle	D	4	39
Birmghm.	D	0	32	New York	S	−6	21
Bristol	D	−1	30	Oslo	S	−7	19
Brussels	Sn	−1	30	Paris	C	0	32
Budapest	C	7	45	Perth	S	36	97
B. Aires	S	26	79	Prague	S	3	37
Cairo	C	24	75	Reykjavik	F	0	32
Cardiff	Sn	−1	30	Rio de J'o	C	30	86
Cologne	C	0	32	Rome	S	15	59
Copnhagn.	F	0	32	Singapore	S	30	86
Edinb'gh	D	3	37	Stockhlm.	Sn	−5	23
Frankfurt	C	−1	30	Strasb'rg	C	0	32
Geneva	C	0	32	Sydney	C	22	72
Glasgow	D	3	37	Tehran	S	10	50
Helsinki	Sn	−12	10	Tel Aviv	C	19	66
H. Kong	C	24	75	Tokyo	C	12	54
Jo'burg	C	25	77	Toronto	S	−11	12
Lisbon	C	13	55	Vienna	C	1	34
London	D	0	32	Warsaw	S	−6	21
Luxembg.	C	−1	30	Zurich	C	−1	30
Madrid	R	5	41				

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	S	11	52	Istanbul	R	8	46
Biarritz	F	14	57	Jersey	C	0	32
Blackpool	C	3	37	Las Plms.	C	18	64
Bordeaux	F	11	52	Locarno	R	4	39
Boulogne	C	−3	27	Majorca	F	14	57
Casablnca.	C	16	61	Malaga	R	14	57
Cape Town	C	29	84	Malta	F	15	59
Corfu	C	14	57	Nairobi	C	21	70
Dubrovnik	C	14	57	Naples	F	14	57
Faro	C	16	61	Nice	C	11	52
Florence	F	12	54	Oporto	R	10	50
Funchal	C	16	61	Rhodes	R	14	57
Gibraltar	C	14	57	Salzburg	C	−4	25
Guernsey	C	0	32	Tangier	C	14	57
Innsbruck	S	7	45	Tenerife	S	13	55
Inverness	C	2	36	Valencia	F	16	61
I. of Man	C	1	34	Venice	S	6	43

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn—Snow. D—Drizzle.

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Reserves

month. This is usually done for commercial use—most of the OPEC countries are exceeding all projections in their ability to spend money.

With Monday's Dubai transaction, a large part of the hidden increase in last month's reserves has already been offset. But the fact that the effective exchange rate fell from 29.9 per cent. to 30.2 per cent. on Monday is a sign of how unprepared the market and the authorities were for the Dubai move.

Yesterday markets were quiet with sterling closing at $2.0280 for a fall of 15 points. Its weighted depreciation, however, narrowed to 30.1 per cent.

Michael Blanden writes: A further cut in the Bank of England's minimum lending rate was being predicted in money markets yesterday as short-term interest rates continued to ease.

The rate on Treasury bills was standing just under 9½ per cent. If the rate dropped below this level at the weekly tender on Friday, it would trigger a cut in MLR from its present 10 per cent. to 9½ per cent.

This would be the fourth successive drop in MLR, following the exceptional ½ per cent. cut last Friday.

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(bĭz'nĭs grōth)

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